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DEPARTMENT OF AUDITOR-CONTROLLER**

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September 14, 2012

Honorable John Chiang  
Controller, State of California  
P.O. Box 942850  
Sacramento, CA 94250-5872

Dear Mr. Chiang:

**REPORT ON AGREED-UPON PROCEDURES AUDIT PURSUANT TO ABX1 26  
OF THE FORMER REDEVELOPMENT AGENCY OF  
THE CITY OF BURBANK**

California Health and Safety Code (HSC) Section 34182 requires each county Auditor-Controller (A-C) to conduct, or cause to be conducted, an agreed-upon procedures (AUP) of each former redevelopment agency (RDA or Agency) in their respective county by July 1, 2012. On June 27, 2012, State Assembly Bill 1484 (AB 1484) extended the July 1 deadline to October 1, 2012. The audits are to establish each RDA's assets and liabilities; to document and determine each agency's pass-through payment obligations to other taxing entities; and to determine and document the amount and terms of any indebtedness incurred by the former RDA.

We have completed the AUP engagement of the former RDA of the City of Burbank, the results of which are attached. The procedures performed were agreed upon by the California State Controller's Office, California Department of Finance (Finance), and Los Angeles County (LAC) A-C. The initial Recognized Obligation Payment Schedule (ROPS) was prepared by, and is the responsibility of, the RDA's Successor Agency's management. Our responsibility was to apply the AUP.

Some of the AUP required legal determinations of whether the obligations were properly authorized, complied with applicable laws and regulations, and were binding on the Agency. We have utilized the Office of the County Counsel to provide the legal determinations required by the AUP. The results of County Counsel's legal analysis are presented in Attachment E.

Except for those obligations listed as "questionable" or "unenforceable", the obligations we reviewed are, to the best of our knowledge, allowable pursuant to the HSC prior to the passage of AB 1484. Questionable obligations identified during this engagement

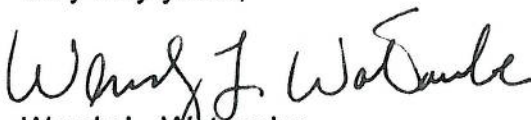
are summarized in Exhibit 1. Supporting documentation related to terms and amounts for each obligation reviewed during this engagement are available for review upon request.

The AUP were completed by Simpson & Simpson, LLP, an independent Certified Public Accounting (CPA) firm, and LAC A-C staff. The attached documents constitute our report on the AUP and include a summary of the review of a sample of obligations from the Agency's ROPS (Exhibit 1); the AUP (Attachment A); the results of procedures performed by the independent CPA firm (Attachments B and C); and the results of procedures performed by A-C staff (Attachment D). We have also attached an analysis prepared by our County Counsel (Attachment E) for those ROPS items that required additional review; and a copy of the Finance ROPS review and final approval letters (Attachment F). In addition, at the completion of this AUP audit, the Agency provided a response (Attachment G without attachments) to the final report. The Agency will be sending the attachments to their response directly to your office via U.S. mail due to the size of the documents.

This report is intended solely for the information and use of the LAC A-C, the Successor Agency, the Successor Agency Oversight Board, and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

If you have any questions regarding these reports, please contact the RDA Audit Manager at [RDAaudits@auditor.lacounty.gov](mailto:RDAaudits@auditor.lacounty.gov).

Very truly yours,



Wendy L. Watanabe  
Auditor-Controller

WLW:JET:JLS:SJL

Attachments

- c: Ana J. Matosantos, Director, California Department of Finance  
Successor Agency Oversight Board
- Ruth Davidson-Guerra, Assistant Community Development Director, Successor  
Agency of the Former RDA for the City of Burbank



**Review of a Sample of Obligations from the Recognized Obligation Payment Schedule for the Successor Agency of the City of Burbank RDA**

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State Department of Finance – Approval Letter

The original Recognized Obligation Payment Schedule (ROPS) submitted by the Successor Agency of the City of Burbank RDA totaled **\$337,865,839.21**. The final ROPS approved by the State Department of Finance (Finance) totaled **\$337,865,839.21**.

Questionable Obligations

The agreed-upon procedures performed by the independent CPA firm and the Auditor-Controller (A-C) identified \$23,803,685 in unenforceable obligations that were subsequently removed from the final approved ROPS.

Unenforceable Obligations

The legal analysis performed by our County Counsel determined that the following sample items were not enforceable obligations:

Project Name/ Debt Obligation	Description	Total Outstanding Debt or Obligation
West Olive Loan from City General Fund as an Advance from the City and Agency Agreement (No. 15) dated September 29, 1970.	Promissory Note dated December 31, 1985 for City funds advanced totaling \$225,000 to the West Olive project area pursuant to 1970 City and Agency Agreement. The Promissory Note bears 7% interest per year and is currently being paid quarterly. There is no repayment schedule for the principal portion of this advance. Repayment of the advance will be made as the funds become available in the future. Agency Resolutions No. R-1352 (December 1985), R-2092 (December 2003), and R-2246 and City Resolution No. 28301 (March 2011) reaffirm this debt.	\$232,875
Sub total		\$232,875

Unenforceable Obligations (cont'd)

Project Name/ Debt Obligation	Description	Total Outstanding Debt or Obligation
City Centre Loan from City General Fund as an Advance from the City and Agency Agreement (No. 15) dated September 29, 1970.	Promissory Note dated December 31, 1985 (Resolution No. R-1351 dated December 23, 1985) in which the City agreed to advance funds to the City Centre project area necessary for land acquisition and related expenses pursuant to 1970 City and Agency Agreement. Agency Resolutions No. R-2092 (December 2003) and R-2246 and City Resolution No. 28,301 (March 2011) reaffirm this debt.	33,234,957
Total		\$33,467,832

In addition, the legal analysis performed by County Counsel identified \$16,006,607 in unenforceable obligations that were subsequently removed from the final approved ROPS.

June 2012 Disbursement to Successor Agency

The total obligations approved for the six-month period from July 1 to December 31, 2012 by Finance is **\$17,032,700.00**. Based on the available RDA funds, less pass-through payments paid directly by the A-C and the administrative fees, the A-C remitted **\$13,109,067.95** for the six-month period from July 1 to December 31, 2012 to the Successor Agency, City of Burbank on June 1, 2012.



**County of Los Angeles  
Report on Applying Agreed-Upon Procedures  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
City of Burbank, California**

**County of Los Angeles  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
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City of Burbank, California**

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Wendy L. Watanabe  
Los Angeles County Auditor-Controller  
500 West Temple Street, Suite 525  
Los Angeles, California 90012

Independent Accountant's Report on Applying Agreed-Upon Procedures

We have performed the agreed upon procedures enumerated in the Auditor-Controller's statement of work, Attachment A, which were generally agreed to by the California State Controller's Office, Department of Finance, and the Los Angeles County Auditor-Controller, solely to assist you in ensuring that the dissolved redevelopment agency is complying with its statutory requirements with respect to ABX1 26. Management of the successor agency, **City of Burbank, California** is responsible for the accounting records pertaining to statutory compliance. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The scope of this engagement was limited to performing the agreed-upon procedures at your direction as set forth in Attachment A. Attachment B identifies the findings noted as a result of the procedures performed.

The Enforceable Obligation Payment Schedule (EOPS) and Recognized Obligation Payment Schedule (ROPS) in Attachment B-1 and Attachment B-2, respectively, are provided by the Auditor-Controller. Attachment C is the Comparative Asset Balance Schedule.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the Comparative Assets Balance Schedule, the EOPS, the ROPS, or as to the appropriateness of the results summarized in Attachment B. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the County, the successor agency, City of Burbank, California, and applicable State agencies, and is not intended to be, and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Los Angeles, California  
June 12, 2012



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**County of Los Angeles  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
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**AGREED-UPON PROCEDURES AND RESULTS**

**A. Redevelopment Agency Dissolution and Restrictions**

For each former RDA reviewed, perform the following:

1. Based on the Enforceable Obligation Payment Schedule (EOPS) for the period August 1 through December 31, 2011 provided by the Auditor-Controller (see Attachment B-1):
  - a. For each obligation highlighted in yellow with black font on the EOPS, identify the payee, a description of the nature of the work/service agreed to, and the amount of payment(s) made by month through December 31, 2011, and compare it to the legal document that forms the basis for the obligation. Note any discrepancies. Any obligations for which the successor agency cannot produce a supporting legal document, or for which the supporting legal document does not support the obligation, should be noted as "questionable" in the AUP report.

For each obligation highlighted in yellow with red font on the EOPS, obtain documentation and forward them to the Auditor-Controller for County Council review. Also, compare the dollar amount of the obligation to the documentation obtained. Note any discrepancies. Any obligations, for which the successor agency cannot produce documentation, should be noted as "questionable" in the AUP report.

***Result***

No exceptions were found as a result of applying the procedure.

- b. Identify all obligations listed on the EOPS that were entered into after June 29, 2011.

***Result***

No exceptions were found as a result of applying the procedure.

2. Based on the EOPS for the period January 1 through June 30, 2012 provided by the Auditor-Controller (see Attachment B-1):
  - a. Identify and document the project name and project area associated with each obligation.

***Result***

No exceptions were found as a result of applying the procedure.



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**AGREED-UPON PROCEDURES AND RESULTS**

**A. Redevelopment Agency Dissolution and Restrictions (Continued)**

2. Based on the EOPS for the period January 1 through June 30, 2012 provided by the Auditor-Controller (see Attachment B-1) (Continued):
  - b. For each obligation highlighted in yellow with black font on the EOPS, identify the payee, a description of the nature of the work/service agreed to, and the amount of payment(s) to be made by month through June 30, 2012, and compare it to the legal document that forms the basis for the obligation. Note any discrepancies. Any obligations for which the successor agency cannot produce a supporting legal document, or for which the supporting legal document does not support the obligation, should be noted as "questionable" in the AUP report.

For each obligation highlighted in yellow with red font on the EOPS, obtain documentation and forward them to the Auditor-Controller for County Council review. Also, compare the dollar amount of the obligation to the documentation obtained. Note any discrepancies. Any obligations, for which the successor agency cannot produce documentation, should be noted as "questionable" in the AUP report.

***Result***

Except for discrepancies described in Finding Nos. 1 and 2 in attachment B, no exceptions were found as a result of applying the procedure.

- c. Identify all obligations listed on EOPS that were entered into after June 29, 2011.

***Result***

We performed the procedure and the result is presented in Finding No. 3 in Attachment B.

3. With regard to the Low and Moderate Income Housing Fund (L&M Fund) of the former redevelopment agency:
  - a. Inquire and document whether the former redevelopment agency transferred the L&M Fund to the successor agency.

***Result***

The successor agency, City of Burbank, has represented to us that the L&M Fund was not transferred to the successor agency, but to the Housing Authority of the City of Burbank which became the Housing Successor for the L&M Fund of the former RDA. The successor agency also indicated that no funds from the L&M unappropriated fund balance have been spent since June 2011.

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**AGREED-UPON PROCEDURES AND RESULTS**

**A. Redevelopment Agency Dissolution and Restrictions (Continued)**

3. With regard to the Low and Moderate Income Housing Fund (L&M Fund) of the former redevelopment agency (Continued):
  - b. If the L&M Fund was transferred, document the date of transfer and summarize the manner in which the transfer was performed. (e.g., the accounting fund, X, and bank account, Y, were retitled in the name of the successor agency).

***Result***

The L&M Fund was not transferred to the successor agency; therefore, the procedure was not performed.

- c. Document the total value of the L&M Fund transferred to the redevelopment agency's successor agency and the date of transfer.

***Result***

The L&M Fund was not transferred to the successor agency; therefore, the procedure was not performed.

4. With regard to the housing activities and assets of the former redevelopment agency:
  - a. Inquire and document whether the housing activities and/or assets were transferred to the successor agency.

***Result***

The successor agency, City of Burbank, has represented to us that the housing activities and assets were not transferred to the successor agency, but to the Housing Authority of the City of Burbank who became the Housing Successor for the Housing activities and assets of the former RDA.



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**AGREED-UPON PROCEDURES AND RESULTS**

**A. Redevelopment Agency Dissolution and Restrictions (Continued)**

4. With regard to the housing activities and assets of the former redevelopment agency (continued):
- b. If housing activities were transferred, obtain the underlying documentation authorizing the transfer (e.g. resolution of the city or county assuming the housing activity from the redevelopment agency).

***Result***

The successor agency has represented to us that the housing assets and activities were transferred to the Housing Authority as the Successor Housing Agency via Resolution No. 28-484, and not transferred to the successor agency; therefore, the procedure was not performed.

- c. If the transfer included assets, obtain a list of the assets and their reported value from the successor agency.

***Result***

The successor agency has represented to us that the housing assets and activities were transferred to the Housing Authority as the Successor Housing Agency via Resolution No. 28-484, and not transferred to the successor agency; therefore, the procedure was not performed.

**B. Successor Agency**

2. With regard to the administrative responsibilities and assets of the former redevelopment agency:
- a. Inquire and document whether the former redevelopment agency transferred its administrative responsibilities to the successor agency (e.g., documents and records, etc), and the date of the transfer.

***Result***

The successor agency, City of Burbank, has represented to us that the administrative responsibilities of the former redevelopment agency were transferred to the successor agency. The City provided us with Resolution No. 28483 which was adopted on January 31, 2012.

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**AGREED-UPON PROCEDURES AND RESULTS**

**B. Successor Agency (Continued)**

2. With regard to the administrative responsibilities and assets of the former redevelopment agency (Continued):

- b. Inquire whether the former redevelopment agency transferred assets other than real property to the successor agency.

***Result***

The successor agency, City of Burbank, has represented to us that the former redevelopment agency of the City of Burbank transferred assets other than real property to the successor agency.

- c. If assets other than real property were transferred, document the transfer date, and summarize the manner in which the transfer(s) were performed (e.g., accounting fund, X, and bank account, Y, were renamed in the name of the successor agency), and the total value of the assets transferred.

***Result***

The successor agency, City of Burbank, represented to us that the transfer occurred by means of assigning the former RDA Funds to the Successor Agency as of January 31, 2012 when the City of Burbank adopted the Resolution to designate the Successor Agency. A new Local Agency Investment Fund (LAIF) bank account was established under the name of the Successor Agency. Fund numbers and titles of the former RDA remained the same, no journal or general ledger entries were recorded. The successor agency has provided us with trial balances of the former RDA assets as of January 31, 2012.

<b>Date</b>	<b>Assets</b>	<b>Balance</b>
2/1/2012	Cash and investments	\$ 11,197,437
2/1/2012	Account receivable	52,053
2/1/2012	Interest receivable	285,922
2/1/2012	Restricted investments	22,159,036
2/1/2012	Advances receivable	2,007,137
2/1/2012	Notes receivable, net	10,964
Total assets other than real property transferred to the successor agency of the RDA		<b>\$ 35,712,549</b>



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**AGREED-UPON PROCEDURES AND RESULTS**

**B. Successor Agency (Continued)**

2. With regard to the administrative responsibilities and assets of the former redevelopment agency (Continued):

- d. Inquire if real property was transferred from the former redevelopment agency to the successor agency.

***Result***

The successor agency, City of Burbank, represented to us that the former redevelopment agency of the City of Burbank did not transfer real property to the successor agency.

- e. If real property was transferred, examine and document evidence of the transfer(s), such as re-recorded titles filed at the Registrar-Recorder/County Clerk.

***Result***

Real property was not transferred to the successor agency; therefore, the procedure was not performed.

3. Determine if the successor agency has established the Redevelopment Obligation Retirement Fund(s) in its accounting system.

***Result***

The successor agency, City of Burbank, established the Redevelopment Obligation Retirement Fund in its accounting system by creating new Fund No. 208 titled "RDA Retirement Obligation".

4. Obtain audited financial statements of the redevelopment agency for the fiscal years ended June 30, 2010 and June 30, 2011. Prepare a schedule listing the name and balance of each asset shown in the government-wide financial statements for each of the two years, as of June 30th (or fiscal year end, if different). Obtain unaudited asset balances as of January 31, 2012 from the successor agency which are comparable to the 2010 and 2011 amounts and include those on the schedule (marked as "unaudited"). If the successor agency is unable to provide comparable balances, indicate the reason and leave the 2012 column blank. Include the comparative asset listing as an attachment to the AUP report.

***Result***

We performed the procedure and the result is presented in the Comparative Asset Balance Schedule in Attachment C.

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**AGREED-UPON PROCEDURES AND RESULTS**

**C. Draft Recognized Obligation Payment Schedule (ROPS)**

5. Obtain a list of all payments from the successor agency's general ledger for the period February 1 through May 12, 2012. Trace and agree all payments made by the successor agency to a corresponding obligation on the draft ROPS provided by the Auditor-Controller (Attachment B-2). Note any discrepancies.

***Result***

Except for the discrepancies described in Finding Nos. 4 and 5 in attachment B, no exceptions were found as a result of applying the procedure.

6. Compare each obligation highlighted in yellow with black font on the ROPS provided by the Auditor-Controller (Attachment B-2) to the legal document that forms the basis for the obligation (e.g. contract, bond indenture, etc.) Note any discrepancies. Any obligations for which the successor agency cannot produce a supporting legal document, or for which the supporting legal document does not support the obligation, should be noted as "questionable" in the AUP report.

For each obligation highlighted in yellow with red font on the ROPS provided by the Auditor-Controller (Attachment B-2), obtain documentation and forward them to the Auditor-Controller for County Council review. Also, compare the dollar amount of the obligation to the documentation obtained. Note any discrepancies. Any obligations, for which the successor agency cannot produce documentation, should be noted as "questionable" in the AUP report.

***Result***

Except for the discrepancies described in Finding No. 1 and No. 6 in Attachment B, no exceptions were found as a result of applying the procedure.

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**SCHEDULE OF FINDINGS**

Finding No. 1 – Insufficient Documentation

In performing procedure A.2.b and C.6, the following obligations are noted as questionable.

The successor agency, City of Burbank did not provide us sufficient documentation supporting the obligations reported on the *EOPS* and *ROPS*. The successor agency has represented to us that each of the exceptions noted were subsequently removed from its amended EOPS submitted to the Auditor-Controller (highlighted in yellow with black font).

<b>EOPS No.</b>	<b>Project Name / Debt Obligation</b>	<b>Payee</b>	<b>Obligation Amount</b>	
12	City Centre Loan from City General Fund	City General Fund	\$ 1,902,460.00	<a>
14	Low and Moderate Housing Insurance	City General Liability Insurance Fund	\$ 16,529.00	<b>
15	Low and Moderate Housing Utilities	City Water & Power Funds	\$ 10,000.00	<b>
16	Low and Moderate Housing Services of Other Departments – Indirect	City General Fund	\$ 533,187.00	<b>
40	Golden State 5% YES fund Contribution	City YES Fund	\$ 892,527.00	<c>
41	City Centre 5% YES fund Contribution	City YES Fund	\$ 440,070.00	<c>
42	South San Fernando 5% YES fund Contribution	City YES Fund	\$ 36,901.00	<c>
43	West Olive 5% YES fund Contribution	City YES Fund	\$ 344,393.00	<c>
44	City Centre Loan from West Olive Project Area	West Olive Capital Project Fund	\$ 1,529,617.00	<d>
45	West Olive Loan from Golden State Project Area	Merged Capital Project Fund	\$ 750,000.00	<d>
46	City Centre Loan from Golden State Project Area	Merged Capital Project Fund	\$ 15,412,346.00	<d>
47	City Centre Loan from Golden State Project Area	Merged Capital Project Fund	\$ 1,338,000.00	<d>
48	South San Fernando Loan from Golden State Project Area	Merged Capital Project Fund	\$ 282,251.00	<d>
49	South San Fernando Loan from Golden State Project Area	Merged Capital Project Fund	\$ 157,517.00	<d>
50	South San Fernando Loan from Golden State Project Area	Merged Capital Project Fund	\$ 171,940.00	<d>
76	Commercial Property Database	CoStar Group	\$ 19,967.14	<e>
93	Design Services	Picnic Design	\$ 5,810.00	<f>
99	Real Estate Services	DataQuick	\$ 978.78	<g>



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**SCHEDULE OF FINDINGS**

Finding No. 1 – Insufficient Documentation (Continued)

<b>ROPS No.</b>	<b>Project Name / Debt Obligation</b>	<b>Payee</b>	<b>Obligation Amount</b>	
22	57 East Palm	Low and Moderate Income Housing Fund	\$ 525,669.13	<h>

- <a> The successor agency has represented to us that this loan has been paid in full, therefore, removed from the final, Oversight Board approved and Department of Finance approved ROPS.
- <b> The successor agency has represented to us that these items are covered under the 1970 Agreement between the City and former Redevelopment Agency (provided the Agreement and subsequent Amendments), as included on the final, Oversight Board approved and Department of Finance approved ROPS.
- <c> The successor agency has represented to us that these items were subsequently removed from the final, Oversight Board approved and Department of Finance approved ROPS as this contractual obligation ended with the end of the Redevelopment Agency. A copy of the YES Fund Resolution was provided as documentation to support this obligation as included on the EOPS.
- <d> The successor agency has represented to us that these loans between project areas were removed from the final, Oversight Board approved and Department of Finance approved ROPS at the request of the Department of Finance.
- <e> The successor agency subsequently provided us with a copy of the contract and a purchase order to support the obligation. The obligation amount was not specifically listed in the contract. However, the successor agency has represented to us that the obligation was based on the amount approved in the purchase order. Also, the obligation was subsequently removed from the final, Oversight Board approved and Department of Finance approved ROPS as the item is now funded by the General Fund under Economic Development.
- <f> Based on the contract provided, the obligation amount should be \$20,000; however, \$5,810 was reported on the draft EOPS as that was the estimated obligation amount to be paid at the time the schedule was completed. The successor agency has represented to us that the item was subsequently removed from the final, Oversight Board approved and Department of Finance approved ROPS as outstanding invoices were paid by a General Fund appropriation.

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**SCHEDULE OF FINDINGS**

Finding No. 1 – Insufficient Documentation (Continued)

- <g> The successor agency provided us with a copy of the contract; however, the support was not sufficient to support the obligation as the amount was not specifically listed in the contract. The successor agency has represented to us that the item was subsequently removed from the final, Oversight Board approved and Department of Finance approved ROPs as the item is now funded by the General fund under Economic Development.
- <h> The successor agency has represented to us that this obligation was included on the EOPS, Amended and Restated EOPS and Draft ROPs as there is an obligation to reimburse the Low and Moderate Income Housing Fund for the funds used (\$525,669.13) to acquire this property. Subsequent to the Draft ROPS, however, the property (acquired with Low and Moderate Income Housing funds) was transferred to the Housing Authority as a Housing Asset; and removed from the final, Oversight Board approved and Department of Finance approved ROPs.

Finding No. 2 – Obligation Amount Did Not Agree with Supporting Documentation

In performing procedure A.2.b, the following obligations are noted as questionable.

We noted that the obligation amount did not agree with the supporting documentation for the following obligation on the EOPS (highlighted in yellow with black font).

<b>EOPS No.</b>	<b>Project Name / Debt Obligation</b>	<b>Payee</b>	<b>Obligation Amount</b>	<b>Amount Per Support</b>	<b>Variance</b>
E-72	PSA: Keeler Elliott	KSD Group Inc.	\$ 115,880.36	\$ 114,796.76	\$ 1,803.60

The successor agency has represented to us that the total amount paid under contract authority. Contracted work is complete.

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**SCHEDULE OF FINDINGS**

Finding No.3 – Obligation Entered into After June 29, 2011

In performing procedure A.2, we noted that the following obligation was entered into after June 29, 2011.

EOPS No.	Project Name / Debt Obligation	Payee	Obligation Amount
89	Burbank International Film Festival	Burbank International Film Festival	\$ 5,000.00

The successor agency has represented to us that the former Agency had a historical relationship with the Burbank International Film Festival organization including the sponsorship of the film festival in the fall of 2010. After the end of that successful event, the former Agency made a verbal commitment for the sponsorship of the film festival to be held in the fall of 2011. That verbal contract was made prior to June 29, 2011. In January 2011, marketing materials, promotions and the overall marketing campaign began for the fall 2011 film festival, and during the next several months, staff continued to work with the film festival organization on the marketing and promotion of the fall 2011 event. The invoice for the sponsorship of the event, for the marketing campaign that began in January 2011, was received and payment was made after June 29, 2011. However, *no* obligations were entered into after June 29, 2011.

Finding No.4 – Discrepancies between the Payments and Obligation Amounts on the Draft ROPS

In performing procedure C.5, we noted the following discrepancies between the payments made by the successor agency, City of Burbank for the period February 1, 2012 through May 12, 2012 and the obligation amounts on the ROPS provided by the Auditor.

Actual Payment				Per Draft ROPS							
Payee	Description	Post Date	Payment Amount	ROPS No.	Payee	Total Due During Fiscal Year	Feb	Mar	Apr	May	Jun
Burbank Housing Corporation	2234 N. Catalina St.	3/31/2012	\$ 204,770.00	24	Burbank Housing Corporation	286,366.37	-	180,202.92	40,000.00	40,000.00	26,133.45
Burbank Housing Corporation		2/29/2012	\$ 10,709.08								
Burbank Housing Corporation		2/29/2012	\$ 9,016.31								
Burbank Housing Corporation		3/31/2012	\$ 124,357.64								
Burbank Housing Corporation		3/31/2012	\$ 11,642.84								
			\$ 360,495.87								
Burbank Housing Corporation	BHC Developer Fee	3/31/2012	\$ 50,860.00	26	Burbank Housing Corporation	1,195,353.50	255,630.00		72,342.00	80,080.00	-
Burbank Housing Corporation	Rent Subsidy Reserve	2/29/2012	\$ 1,800.00	27	Burbank Housing Corporation	326,889.00	1,800.00	900.00	900.00	900.00	900.00
Burbank Housing Corporation		3/31/2012	\$ 600.00								
			\$ 2,400.00								
Keyser Marston Associates	BHC Annual Financial Review: Financial Consultant	4/30/2012	\$ 785.63	28	Keyser Marston Associates	45,000.00		11,250.00	11,250.00	11,250.00	11,250.00
Keyser Marston Associates		4/30/2012	\$ 6,046.88								
Keyser Marston Associates		4/30/2012	\$ 2,317.50								
Keyser Marston Associates		4/30/2012	\$ 421.88								
			\$ 9,571.89								
Stradling Yocca Carlson	Legal Costs	5/31/2012	\$ 481.50	32	Stradling Yocca Carlson Rauth	52,582.14		13,145.54	13,145.54	13,145.54	13,145.54
Stradling Yocca Carlson	Legal Costs	5/31/2012	\$ 156.08								
			\$ 637.58								



County of Los Angeles  
 Agreed-Upon Procedures Engagement  
 Pursuant to the Redevelopment Agency  
 Dissolution Bill (ABx1 26) of 2011  
 Successor Agency  
 City of Burbank, California

**SCHEDULE OF FINDINGS**

Finding No.4 – Discrepancies between the Payments and Obligation Amounts on the Draft ROPS  
(Continued)

Actual Payment				Per Draft ROPS							
Payee	Description	Post Date	Payment Amount	ROPS No.	Payee	Total Due During Fiscal Year	Feb	Mar	Apr	May	Jun
City of Burbank	Fund 303 Payroll	4/30/2012	\$ 7,826.55								
City of Burbank	City Treasurer/PKG-J Salcido	4/30/2012	\$ 49.25								
City of Burbank	Fund 305 Payroll	4/30/2012	\$ 151,908.85								
City of Burbank	Fund 306 Payroll	4/30/2012	\$ 335,614.14								
City of Burbank	AT&T Mobility	3/31/2012	\$ 59.49								
City of Burbank	AT&T Mobility	4/30/2012	\$ 59.49								
City of Burbank	AT&T Mobility	4/30/2012	\$ 59.43								
City of Burbank	City Trasurer/MTG Supplies-Marie SA Minor	4/30/2012	\$ 15.01								
City of Burbank	Federal Express/Express Letter and Package Delivery	2/29/2012	\$ 65.92								
City of Burbank	City Treasurer/PKG-B Wong	4/30/2012	\$ 21.39								
City of Burbank	City Treasurer/PKG-B Wong	4/30/2012	\$ 4.00								
City of Burbank	Fund 306 (Merged Capital Projects) Payroll	4/30/2012	\$ 23,415.49								
\$ 519,099.01				15	City of Burbank	1,493,711.88	298,742.38	298,742.38	298,742.38	298,742.38	298,742.38

Burbank Housing Corporation	New Catalina Development: 2223-2235 N. Catalina	2/29/2012	\$ 1,213.00								
Burbank Housing Corporation		2/29/2012	\$ 11,523.00								
Burbank Housing Corporation		2/29/2012	\$ 17,240.00								
Burbank Housing Corporation		2/29/2012	\$ 441,361.23								
Burbank Housing Corporation		2/29/2012	\$ 26,262.16								
Burbank Housing Corporation		4/30/2012	\$ 134,148.86								
Burbank Housing Corporation		4/30/2012	\$ 11,844.91								
Burbank Housing Corporation		4/30/2012	\$ 324,628.63								
Burbank Housing Corporation		4/30/2012	\$ 19,701.84								
\$ 987,923.63				23	Burbank Housing Corporation	6,283,586.75	17,240.00	441,361.23	500,000.00	500,000.00	500,000.00

The successor agency has represented to us that the Draft ROPs included estimated payment amounts as footnoted on the document. Therefore, the payments noted were staff's best estimate at the time the schedule was prepared in January and February 2012, and do not match the actual payments made as tested. However, all payments made were reviewed and verified to be legitimate expenses under each contract and all were within the maximum obligation amounts.

**County of Los Angeles  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
City of Burbank, California**

**SCHEDULE OF FINDINGS**

**Finding No.5 – Payments Made Not Listed on the Draft ROPS**

In performing procedure C.5, we noted that the following payment was not included in the draft ROPS.

Payee	Description	Post Date	Payment Amount
Print Printing	Connect with your Community	2/29/2012	\$ 5,409.00

The successor agency has represented to us that the payment of this invoice was a timing issue. This contract was on the Amended EOPS, but not on the Draft ROPS as the invoice was received and was in process to be paid in January 2012. However, the final, Oversight Board approved and Department of Finance approved ROPS includes the item and payment. The service agreement was entered before June 29, 2011 and the obligation was included in the final and Oversight Board approved ROPS.

**Finding No. 6 –Obligation Amount Did Not Agree with Supporting Documentation**

In performing procedures C.6, the following obligations are noted as questionable.

We noted that the obligation amount did not agree with the supporting documentation for the following obligations on the ROPS. The successor agency, City of Burbank, has represented to us that all of the following were subsequently corrected on the amended ROPS (highlighted in yellow with black font).

ROPS No.	Project Name / Debt Obligation	Payee	Obligation Amount	Amount Per Support	Variance	
23.1	Construction Management: 2223-2235 N. Catalina	KSD Group Inc.	\$ 112,072.10	\$ 117,975.84	\$ (5,903.74)	<a>
24	2234 N. Catalina St.	Burbank Housing Corporation	\$ 286,336.37	\$ 453,865.22	\$ (167,528.85)	<a>
25	Keeler/Elliott Development	Burbank Housing Corporation and Habitat for Humanity	\$ 174,938.12	\$ 859,679.27	\$ (684,741.15)	<a>
27	Rent Subsidy Reserve (Transitional Housing Rent subsidy)	Burbank housing Corporation	\$ 326,889.00	\$ 325,308.00	\$ 1,581.00	<b>
32	Legal Costs	Stradling Yocca Carlson Rauth	\$ 52,582.14	\$ 481.50	\$ 52,100.64	<c>

**County of Los Angeles  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
City of Burbank, California**

**SCHEDULE OF FINDINGS**

Finding No. 6 –Obligation Amount Did Not Agree with Supporting Documentation (Continued)

- <a> The successor agency has represented to us that the Obligation Amount was corrected in the final, Oversight Board approved and Department of Finance approved ROPs. The obligation amount in the first column was the amount as of February 2012. The amount in the support documentation and payment history includes the outstanding obligation as of January 2012; therefore, there is a higher obligation amount – except for the Legal Costs item.
- <b> The successor agency has represented to us that the total amount paid/to be paid within contract authority. Final obligation amount has been refined and included on the final, Oversight Board approved and Department of Finance approved ROPs.
- <c> The successor agency has represented that the Legal Costs contract is for a total of \$52,582.14 as noted in the first column. However, only one payment in the amount of \$481.50 was required under this contract for the period of January to June 2012.



Name of Redevelopment Agency:  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**ENFORCEABLE OBLIGATION PAYMENT SCHEDULE**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited - Aug 2011 - Dec 2011)**

Project Name / Debt	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
9) West Olive Loan from City	City General Fund	From 1977 through 1979, the City and the Agency entered into agreements to advance funds aggregating \$225,000 to the West Olive project area. These agreements bear 7% interest per year and is currently being paid quarterly. There is no repayment schedule.	240,750.00	15,750.00
10) South San Fernando Loan From City General Fund	City General Fund	The City and the Agency entered into an agreement (resolution no. 25,232 on 2/10/98) to advance the Agency an aggregate amount of \$191,381 representing project formation costs of the South San Fernando project area. The advance has no interest or repayment.	191,380.55	0.00
11) City Centre Sales Tax Coop	City General Fund	The City and Agency entered into a cooperation agreement (sales tax coop) through which the City agreed to advance funds to the Burbank Merged project area necessary for payments on a disposition and development agreement between the Agency and a developer.	21,764,458.17	0.00
12) City Centre Loan from City General Fund	City General Fund	The City and the Agency entered into agreements by Resolutions R504, R787, and R1177 to loan an aggregate amount of \$1,778,000 to the City Centre project area for the purchase of land. Interest is 7% per year and is currently being paid quarterly. Resolu	1,902,460.00	124,460.00
13) City Centre Loan from City General Fund	City General Fund	which the City agreed to advance funds to the City Centre project area necessary for land acquisition and related expenses. Resolution No. R-2092 (December 2003) reaffirms this debt.	35,101,957.00	0.00
<b>CITY ADMINISTRATIVE CONTRACTUAL AGREEMENTS</b>				
14) Low and Moderate Housing Insurance	City General Liability Insurance Fund	FY 11/12 Low and Moderate Housing insurance cost	16,528.00	16,528.00
15) Low and Moderate Housing Utilities	City Water & Power Funds	FY 11/12 Low and Moderate Housing estimated utility costs	10,000.00	10,000.00
16) Low and Moderate Housing Services of Other Departments - Indirect	City General Fund	FY 11/12 Low and Moderate Housing non-Agency support staff and other services	533,187.00	533,187.00
40) Golden State 5% YES fund Contribution	City YES Fund	In January 1991, Resolution No. 23,169 was adopted obligating the Redevelopment project areas to contribute 5% of their gross tax increment to the City's Youth Endowment Services (YES) fund to assist the needs for youth oriented facilities within, and in	892,527.00	892,527.00
41) City Centre 5% YES fund Contribution	City YES Fund	In January 1991, Resolution No. 23,169 was adopted obligating the Redevelopment project areas to contribute 5% of their gross tax increment to the City's Youth Endowment Services (YES) fund to assist the needs for youth oriented facilities within, and in	440,070.00	440,070.00

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**ENFORCEABLE OBLIGATION PAYMENT SCHEDULE**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited - Aug 2011 - Dec 2011)**

	Project Name / Debt	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
42)	South San Fernando 5% YES fund Contribution	City YES Fund	In January 1991, Resolution No. 23,169 was adopted obligating the Redevelopment project areas to contribute 5% of their gross tax increment to the City's Youth Endowment Services (YES) fund to assist the needs for youth oriented facilities within, and in	36,901.00	36,901.00
43)	West Olive 5% YES fund Contribution	City YES Fund	In January 1991, Resolution No. 23,169 was adopted obligating the Redevelopment project areas to contribute 5% of their gross tax increment to the City's Youth Endowment Services (YES) fund to assist the needs for youth oriented facilities within, and in	344,393.00	344,393.00
<b>LOANS FROM PROJECT AREAS</b>					
44)	City Centre Loan from West Olive Project Area	West Olive Capital Project Fund	In October 1991, the Agency passed Resolution No. R-1637 advancing West Olive Land Sale proceeds to the City Centre project area. The advances are non-interest bearing and will be repaid as future tax increment becomes available.	1,529,617.00	0.00
45)	West Olive Loan from Golden State Project Area	Merged Capital Project Fund	In November 1981 and November 1977, the Agency passed Resolution No. R-991 (\$600,000) and R-634 (\$150,000) advancing Golden State land sale proceeds to the City Centre project area. The advances are non-interest bearing and will be repaid as future tax increment becomes available.	750,000.00	0.00
46)	City Centre Loan from Golden State Project Area	Merged Capital Project Fund	From 1974 to 1992, resolutions were passed advancing Golden State land sale proceeds to the City Centre project area. The advances are non-interest bearing and will be repaid as future tax increment becomes available. Resolution No. R-194, City Centre Loan	15,412,346.00	0.00
47)	City Centre Loan from Golden State Project Area	Merged Capital Project Fund	In October 1991, the Agency passed Resolution No. R-1637 advancing Golden State Land Sale proceeds to the City Centre project area. The advances are non-interest bearing and will be repaid as future tax increment becomes available.	1,338,000.00	0.00
48)	South San Fernando Loan from Golden State Project Area	Merged Capital Project Fund	In February 1998, the Agency passed Resolution No. R-1891 advancing Golden State Land Sale proceeds to the South San Fernando project area. The advances are non-interest bearing and will be repaid by the earlier of July 1, 2027, or the date when the Golden State Land Sale proceeds to the South San Fernando project area. The advances are non-interest bearing and will be repaid as future tax increment becomes available.	282,251.00	0.00
49)	South San Fernando Loan from Golden State Project Area	Merged Capital Project Fund	In 1998, the Agency passed resolutions advancing Golden State Land Sale proceeds to the South San Fernando project area. The advances are non-interest bearing and will be repaid as future tax increment becomes available.	157,517.00	0.00



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**ENFORCEABLE OBLIGATION PAYMENT SCHEDULE**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited - Aug 2011 - Dec 2011)**

Project Name / Debt	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
50) South San Fernando Loan from Golden State Project Area	Merged Capital Project Fund	In 1998, the Agency passed resolutions advancing Golden State Land Sale proceeds to the South San Fernando South San Fernando Loan project area. The advances are non- from Golden State Project Merged Capital interest bearing and will be repaid	171,940.00	0.00
51) Valencia Rent Subsidy Reserve (Transitional Housing Rent Subsidy)	Burbank Housing Corporation	305.CD23A.70005.16576 As authorized in the Disposition and Development Agreements (DDA's) and referenced in the Leases between the Burbank Redevelopment Agency and BHC, a Rent Subsidy Fund was established for 313 and 427 Valencia, 2406 Naomi, 2615 Thorne	201,558.00	
52) Single-Family Homeowner Grant Program: 1504 N. Ontario St (Ostrander)	Terminix, Pro-Master Painting, R.C. Hernandez Electrical Services	Financial and technical assistance for rehabilitation and home improvements to homeowners earning within the very low income limit. The rehabilitation work must be performed by a licensed contractor, who is paid after the City inspects and the owner approves	4,460.00	
53) Single-Family Homeowner Grant Program: 2520 N. Keystone Ave. (Chang)	Jon's Window & Awning C., Mama's Carpet	Financial and technical assistance for rehabilitation and home improvements to homeowners earning within the very low income limit. The rehabilitation work must be performed by a licensed contractor, who is paid after the City inspects and the owner approves	7,500.00	
54) Rental Property Rehabilitation Program: 507 N. Lomita St (Just)	Professional Design & Construction, Inc.	Rehabilitation loans for owners of multi-family rental property to enhance residential neighborhoods while increasing the supply of rental units that are affordable to lower income families. 100% of loan balance is forgivable after 15 years.	7,879.80	
55) Rental Property Rehabilitation Program: 496 S. Main St (Lippert)	Spencer Construction, Lippert Construction, Marble Dream, Volt's Electric, Rock's Trees, Dale's Roofing, Posada Construction Co.	Rehabilitation loans for owners of multi-family rental property to enhance residential neighborhoods while increasing the supply of rental units that are affordable to lower income families. 100% of loan balance is forgivable after 15 years. The rehabili	15,064.06	
56) Single-Family Homeowner Rehabilitation Program: 1510N. Screenland (Keane)	Foothill Fireplace, Precise Roofing, Jon's Window & Awning Co., The Painting Co., Antlin	Financial and technical assistance for rehabilitation and home improvements to homeowners. No repayment until title transfer or sale. The rehabilitation work must be performed by a licensed contractor, who is paid after the City inspects and the owner app	7,556.00	
57) Single-Family Homeowner Rehabilitation Program: 1903 N. Manning (Figueroa)	MOM Custom Remodeling, Inc.	Financial and technical assistance for rehabilitation and home improvements to homeowners. No repayment until title transfer or sale. The rehabilitation work must be performed by a licensed contractor, who is paid after the City inspects and the owner app	18,738.02	
58) Consultants		Per professional services agreement dated 11-1-10, post-rehabilitation/new construction appraisal services to quantify values for Regional Housing Needs Assessment (RHNA) and Proportionality Test requirements. Effectiveness date 11-1-11.		
59) PSA: Real Property Appraisal	Otis Hackett		36,500.00	



Name of Redevelopment Agency:  
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**ENFORCEABLE OBLIGATION PAYMENT SCHEDULE**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited - Aug 2011 - Dec 2011)**

Project Name / Debt	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
68) PSA Focus Neighborhoods	KSD Group Inc.	Per professional services agreement dated 9-1-10, construction management services for the projects located at 225 Linden and 2234 N. Catalina provided under Affordable Housing Agreements between the Agency and BHC. Effectiveness date 9-1-10 to 9-31-11.	5,390.34	
71) PSA Focus Neighborhoods	Barbara Hall Inc.	Per the professional services agreement dated 3-31-11, civil engineering services for the project located at 2223-2235 N. Catalina provided under an Affordable Housing Agreement between the Agency and BHC. Effectiveness date 5-1-11 to 4-30-12.	12,300.00	
72) PSA Keeler Elliott	KSD Group Inc.	Per professional services agreement dated 4-15-09, provide construction management services in connection with Habitat for Humanity project located at 1902 Keeler and 1722-1730 Elliott provided under the Owner Participant Agreement. Effectiveness date 7-1-11 to 4-30-12.	115,880.36	
73) PSA Housing Profile	Karen Warner Associates	Per professional services agreement dated 9-15-10, provide assistance in development of the annual update to the Housing Profile for the Agency. Effectiveness date 10-1-10 to 9-30-11.	12,950.00	
74) Loan Monitoring Services	Amernational	One time payment for work completed in last fiscal year related to loan monitoring.	691.91	
<b>Economic Development - Marketing/Advertising</b>				
75) BPID Assessment	Downtown Burbank Partnership Inc.	Annual assessment fee to LA County Assessor's office for properties owned in Downtown Burbank which go to the Downtown Burbank Partnership.		93,564.00
76) Commercial Property Database	CoStar Group	Commercial real estate research and information services.	19,967.14	
<b>Economic Development - Marketing/Advertising</b>				
77) Los Angeles Magazine	Los Angeles Magazine	Per contract dated 10-26-10, promote Economic Development Nightlife through advertisements in Los Angeles Magazine. Effectiveness date Dec. 2010-Nov 2011.	7,480.00	
78) LA Confidential	Los Angeles Confidential Magazine LLC	Per contract dated 3-17-11, promote Economic Development Retail/Restaurant through advertisements in LA Confidential Magazine. Effectiveness date May 2011 to May 2012.	41,600.00	
79) US Airways Magazine	Pace Communications	Per contract dated 3-29-11, provide Economic Development advertisement in US Airways Magazine. Effectiveness date Jun. 2011 - Dec. 2011.	21,800.00	
80) Pasadena Magazine	Pasadena Magazine	Per contract dated 2-22-11, promote Economic Development Nightlife through advertisements in Pasadena Magazine. Effectiveness date Aug. 2011 - Jun. 2012.	21,500.00	
81) San Fernando Valley Business Journal	San Fernando Valley Business Journal	Per contract dated 1-19-11, promote Economic Development through advertisements in the San Fernando Valley Business Journal. Effectiveness date 1-19-11 to 12-26-11.	8,950.00	
82) Los Angeles Valley Business Journal	San Fernando Valley Business Journal	Per contract dated 1-19-11, promote Economic Development through advertisements in the Los Angeles Valley Business Journal. Effectiveness date 1-19-11 to 12-26-11.	46,195.00	



Name of Redevelopment Agency:  
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**ENFORCEABLE OBLIGATION PAYMENT SCHEDULE**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited - Aug 2011 - Dec 2011)**

Project Name / Debt	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
83) Where Magazine	Southern California Magazine/Media Group	Per contracts dated 10-28-10, promote Economic Development Retail/Restaurant and Tourism through advertisements in Where Magazines publication. Effectiveness date Jan. 2011 to Dec. 2011.	15,300.00	
84) Where Magazine	Southern California Magazine/Media Group	Per contracts dated 3-21-11, promote Economic Development Retail Restaurant and Tourism through a special magazine spread in Where Magazines publication. Effectiveness date Jun. 2011 Aug. 2011.	6,000.00	
Where Guestbook	Southern California Magazine/Media Group	Per contracts dated 10-15-10, promote Economic Development Retail/Restaurant and Tourism through advertisements in the Where Magazine Guestbook. Effectiveness date Jan. 2011 to Dec. 2011.	6,300.00	
85) Hollywood Bowl Program	Southern California Magazine/Media Group	Per contracts dated 3-16-11, promote Economic Development Retail/Restaurant and Tourism through advertisements in the Hollywood Bowl Program Guide. Effectiveness date Jul. 2011 to Sept. 2011	10,000.00	
87) Business Life Magazine	Business Life Magazine	Per contract dated 3-28-11, promote Economic Development through advertisements in Business Life Magazine. Effectiveness date Mar. 2011 to Dec. 2011.	4,240.00	
88) California Centers Magazine	California Centers Magazine, Inc.	Per contract dated 4-6-11, promote Economic Development Retail/Restaurants through advertisements in California Centers Magazine. Effectiveness date May 2011 to Sept. 2011.	3,700.00	
Burbank International Film Festival	Burbank International Film Festival	Third Burbank International Film Festival. Mich highlights Burbank's contributions to filmmaking, held from 9-10-11 to 9-11	5,000.00	
89) Burbank Fine Arts Festival	Anderson Rental	Arts Festival.	370.25	
91) AMC Event	Photography as an Art	Services performed for the AMC event.	300.00	
92) Team Business	Burbank Times	Burbank Times.	432.00	
<b>Economic Development Consultants</b>				
93) Design Services	Picnic Design	One time payment for design work completed in last fiscal year.	5,810.00	
94) PSA: San Fernando Blvd Street Lighting Improvement Project	Clifford Development Group	Per the professional services agreement dated 10-18-10, consulting services to assist the Agency with the San Fernando Blvd. Street Lighting Improvement Project. Effectiveness date 10-20-10 to 9-30-11.	2,900.00	
95) PSA Economic Development	Vision Internet Providers, Inc.	Per professional services agreement dated 2-11-11, provide services to enhance the design and function of the economic development webpage for COD. Effectiveness date 3-14-11 to 3-14-12.	4,960.00	
96) PSA Economic Development	Alliance Corp.	Per display space agreement No. 2187BUR dated 1-1-10 and renewal letter signed 4-18-11, furnish display space at Bob Hope Airport for the economic development strategy and citywide marketing campaign for the Agency. Effectiveness date 1-1-11 to 12-31-11.	6,250.02	
97) PSA Credit Check	Dun & Bradstreet	Facilitate the payment of invoices for on-line credit check services for the Agency. Effectiveness date 2-14-11 to 2-14-12.	1,499.00	
<b>General Consultants</b>				
98) AMC CFD Bond	David Taussig & Assoc.	Obligation calculation related to the community facilities district bond listed in the Statement of Indebtedness.	9,875.40	
99) Real Estate Services	DataQuick	Real estate data and property information.	978.78	

Name of Redevelopment Agency:  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**ENFORCEABLE OBLIGATION PAYMENT SCHEDULE**  
Per AB 26 - Section 34167 and 34169 (1)  
(Unaudited - Aug 2011 - Dec 2011)

Project Name / Debt	Payee	Description	Total Outstanding Debt or Obligation	Total Due During Fiscal Year
100) PSA: Real Estate Services	Overland Pacific & Cutler	Per professional services agreement dated 10-1-10, general real property support services consisting of title investigation, property appraisal, general policy consultation, interim property management, relocation services for non-ho	59,605.50	
Administration				
101) Legislation Monitoring	Emanuel Jones and Associates	Legislative representation services.	28,600.00	

**HIGHLIGHT LEGEND:**

BLACK FONT/YELLOW HIGHLIGHT	CPA Firm to review validity and amount of obligation.
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Name of Redevelopment Agency:  
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Burbank Redevelopment Agency  
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**AMENDED AND RESTATED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited Feb 2012 - Jun 2012)**

Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month	
					Total for Feb. 1, 2012 to Jun. 30, 2012	
TAX ALLOCATION BONDS:						
Golden State 1993 Series A Tax Allocation Bond - Reserve Fund	Merged - Golden State	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	5,050,024.51		\$0.00
Golden State 2003 Series A Tax Allocation Bond	Merged - Golden State	Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$780,000 to \$6,620,000 through December 1, 2024. Interest at various rates ranging from 1.625% to 5.25% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. The bonds provided funds for the acquisition and construction of various projects.	29,000,995.50		\$2,769,875.00
Golden State 2003 Series A Tax Allocation Bond - Reserve Fund	Merged - Golden State	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	2,707,775.49		\$0.00
Golden State 1993 Subordinated Tax Allocation Bond (Remarketed)	Merged - Golden State	Bond Holders Via Wells Fargo Bank	The bonds were issued for the purpose of financing redevelopment activities within or for the benefit of the Agency's Golden State project. The bonds were originally sold to the City of Burbank and the proceeds of the remarketing will be used to (a) purchase the bonds from the City, (b) fund a reserve fund for the bonds, and (c) pay the costs of the remarketing.	56,218,018.25		\$1,338,327.50
Golden State 1993 Subordinated Tax Allocation Bond (Remarketed) Reserve Fund	Merged - Golden State	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	1,949,483.75		\$0.00
Golden State 2007 Series A Revenue Bonds	Merged - Golden State	PFA and Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$50 to \$2,995 through December 1, 2043. Interest at various rates ranging from 3.50% to 5.00% is payable semiannually on June 1 and December 1. The bonds provided funds for (i) refunding a portion of the Authority's outstanding revenue bonds, (ii) fund a purchase in lieu of redemption of the Agency's subordinated tax allocation bonds, (iii) and to pay for capital improvements.	87,605,376.25		\$2,365,755.00

Name of Redevelopment Agency:  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**AMENDED AND RESTATED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited Feb 2012 - Jun 2012)**

Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month	
					Total for Feb. 1, 2012 to Jun. 30, 2012	
City Centre 1993 Series A Tax Allocation Bonds- Reserve Fund	Merged - City Centre	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	1,742,662.50		\$0.00
Community Facilities District No. 2005-1 Special Tax Revenue Bond - Reserve Fund	Merged - City Centre	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	595,420.00		\$0.00
West Olive 2002 Series A Tax Allocation Bond - Reserve Fund	West Olive	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	951,475.00		\$0.00
South San Fernando 2003 Series B Tax Allocation Bond	Merged - South San Fernando	Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$85,000 to \$330,000 through December 1, 2033. Interest at various rates ranging from 2.00% to 5.50% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the incremental tax revenues to be received by the project. These bonds provide funding for the acquisition and construction of various projects.	7,840,524.60		\$345,956.26
South San Fernando 2003 Series B Tax Allocation Bond	Merged - South San Fernando	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	349,827.88		\$0.00
Golden State Bank Service Charges	Merged - Golden State	Bank of America/Wells Fargo	FY 11/12 estimated bank service charges	27,467.74		\$27,467.74
City Centre Bank Service Charges	Merged - City Centre	Bank of America/Wells Fargo	FY 11/12 estimated bank service charges	8,600.00		\$8,600.00
West Olive Bank Service Charges	West Olive	Bank of America/Wells Fargo	FY 11/12 estimated bank service charges	1,693.55		\$1,693.55
South San Fernando Bank Service Charges	Merged - South San Fernando	Bank of America/Wells Fargo	FY 11/12 estimated bank service charges	4,300.00		\$4,300.00
Oversight of Bonds	Merged - Golden State, City Centre, and South San Fernando	City of Burbank	Monitoring and Oversight of Bonds	2,659.00		\$2,659.00
Footnote: Jun'12 includes the bond interest due on 6/1/12 of \$4,495,130.63 and bond principal interest payments due 12/1/12 of \$10,615,130.63				298,941,728.39		15,167,481.55
<b>Subtotal Tax Allocation Bonds</b>						



Name of Redevelopment Agency:  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**AMENDED AND RESTATED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited Feb 2012 - Jun 2012)**

Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month Total for Feb. 1, 2012 to Jun. 30, 2012
BURBANK REDEVELOPMENT AGENCY DEBT TO THE CITY OF BURBANK:					
West Olive Loan from City General Fund as an Advance from the City and Agency Agreement (No. 15) dated September 29, 1970.	West Olive	City of Burbank	Promissory Note Dated December 31, 1985 for City funds advanced totaling \$225,000 to the West Olive project area pursuant to 1970 City and Agency Agreement. The Promissory Note bears 7% interest per year and is currently being paid quarterly. There is no repayment schedule for the principal portion of this advance. Repayment of the advance will be made as the funds become available in the future. Resolution No. R-1352 (December 1985) and R-2092 (December 2003) reaffirm this debt.	232,875.00	\$31,162.50
South San Fernando Loan from City General Fund	Merged - South San Fernando	City of Burbank	Agreement between the City and the Agency (resolution no. 25,232 on 2/10/98) to advance the Agency an aggregate amount of \$191,381 representing project formation costs of the South San Fernando project area. The advance has no interest or repayment schedule. Repayment of the advance will be made as the funds become available in the future. Resolution No. R-2246 (March 2011) reaffirms this debt.	191,380.55	\$19,138.06
City Centre Sales Tax Coop	Merged - City Centre	City of Burbank	Sales Tax Cooperation Agreement between the City and Agency through which the City agreed to advance funds necessary for payments on a disposition and development agreement between the Agency and a developer. Interest on the advances accumulates at an annual rate of 6%. Resolution No. R-2246 (March 2011) reaffirms this debt.	2,554,114.04	\$255,411.40
City Centre Loan from City General Fund as an Advance from the City and Agency Agreement (No. 15) dated September 29, 1970.	Merged - City Centre	City of Burbank	Promissory Note Dated December 31, 1985 in which the City agreed to advance funds to the City Centre project area necessary for land acquisition and related expenses pursuant to 1970 City and Agency Agreement. Resolution No. R-2092 (December 2003) reaffirms this debt.	33,234,957.00	\$3,323,495.70



Name of Redevelopment Agency:  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**AMENDED AND RESTATED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited Feb 2012 - Jun 2012)**

Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month Total for Feb. 1, 2012 to Jun. 30, 2012
<b>Subtotal Debt to City</b>				<b>37,792,415.06</b>	<b>\$5,208,296.13</b>
<b>MALL PROJECT:</b>					
In September 1989, the Burbank Redevelopment Agency entered into a Disposition and Development Agreement (DDA) with the Alexander Haagen company for the site assembly and development of 41 acres for the then "Burbank Gateway Center" (Mall Project). Items in Section "Mall Project" are related to this DDA.					
Haagen DDA (Burbank Partners) - City Centre Property Tax Rebate	Merged - City Centre	Burbank Mall Associates LLC	In November 1989, City Centre project area entered into a promissory note with Haagen-Burbank Partners for \$18,500,000. The loan shall be repaid in semi-annual installments of principal and interest, compounded monthly, on February 1st and August 1st of each calendar year up to and including February 1, 2016.	42,240,701.70	\$516,440.00
Haagen DDA (Burbank Partners) - City Centre Sales Tax Rebate	Merged - City Centre	Burbank Mall Associates LLC	In December 1990, City Centre project area entered into a promissory note with Haagen-Burbank Partners for \$33,000,000. The loan shall be repaid in semi-annual installments of principal and interest, compounded monthly, on February 1st and August 1st of each calendar year up to and including February 1, 2016.	76,529,936.31	\$2,276,798.00
<b>Subtotal Mall/Non-Housing Projects</b>				<b>118,770,638.01</b>	<b>\$2,793,238.00</b>
<b>LOW/MOD HOUSING PROJECTS AND PROGRAMS:</b>					
57 East Palm	Merged - City Centre	Low and Moderate Income Housing Fund	Land purchased on June 24, 2003 with Low and Moderate Income Housing Funds and held for future affordable housing development. Obligation to reimburse Low Moderate Income Housing Fund if not developed by June 24, 2013.	525,689.13	\$525,689.13
Construction Management: 2223-2235 N. Catalina	Merged - Golden State, City Centre, and South San Fernando & West Olive	KSD Group Inc.	Per professional services agreement dated 9-10-11, construction management services for the project located at 2223-2235 N. Catalina provided under Affordable Housing Agreement between the Agency and BHC. Effectiveness date 5-10-11 to 1-31-13.	111,471.10	\$50,000.00

Name of Redevelopment Agency:  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**AMENDED AND RESTATED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited Feb 2012 - Jun 2012)**

Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month Total for Feb. 1, 2012 to Jun. 30, 2012
Relocation Services: 2235 N. Catalina	Merged - Golden State, City Centre, and South San Fernando & West Olive	Overland Pacific and Cutler	Assist with support service consisting of general policy consultation relocation planning relocation assistance implementation services, appeals support interim property management and any other related services associated with the 2223- 2235 N. Catalina Street Project.	9,762.50	\$9,762.50
Project Management: 2235 N. Catalina	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority, Project Manager	Oversight and project management of approved project. Total of 40% of FY 2011- 2012 budgeted salary and benefits. (Construction Completion 1/31/13) 305 CD23A.70005.0000.20027	59,637.89	\$24,849.10
2234 N. Catalina St.	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Corporation	Per Affordable Housing Agreement, dated 12- 9-10, between the Agency and BHC, rehabilitate a 7-unit residential building to provide affordable housing. Agency Resolution No. R-2240, City Resolution No. 28,242.	286,336.37	\$286,336.37
Project Management: 2234 N. Catalina	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority, Project Manager	Oversight and project management of approved project. Total of 5% of FY 2011- 2012 budgeted salary and benefits.	3,106.14	\$3,106.14
Project Management: Keeler/Elliott Development	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority, Project Manager	Oversight and project management of approved project. Total of 25% of FY 2011- 2012 budgeted salary and benefits.	15,530.70	\$15,530.70
Lender's Documentation Compliance Review: Keeler/Elliott Homeownership Development	Merged - Golden State, City Centre, and South San Fernando & West Olive	Kronick, Moskovitz, Tiedemann & Girard	Review of Lender's Compliance Requirements for Affordable Housing Gap Financing pursuant to 2009 Keeler/Elliott Owner Participation Agreement. Not-to- exceed contract in the amount of \$5,000	5,000.00	\$5,000.00
Disbursement of Funds - Project Manager	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority, Project Manager	Oversight of fund disbursement. Total of 5% of FY 2011-2012 budgeted salary and benefits.	3,106.15	\$3,106.15



Name of Redevelopment Agency:  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**AMENDED AND RESTATED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited Feb 2012 - Jun 2012)**

Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month Total for Feb. 1, 2012 to Jun. 30, 2012
Rent Subsidy Reserve (Transitional Housing Rent Subsidy)	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Corporation	305.CD23A.70005.16576 Per the following Affordable Housing Agreements (A-HAs) or Disposition and Development Agreements (DDAs) between the Agency and BHC, Rent Subsidy Funds were established to assist tenants of the properties with incomes below the threshold for Very Low Income Households: 1) 313 and 427 Valencia (DDA dated 2-21-06); Agency Resolution Nos. R-2142, R-2143 2) 2406 Naomi (AHA dated 11-20-08); amended 10-2-09; See above item for resolution numbers. 3) 2815 Thornton (AHA dated 10-2-09); See above item for resolution numbers. 4) 225 Linden (AHA dated 8-20-10); See above item for resolution numbers.	326,886.00	\$4,500.00
Disbursement of Funds - Project Manager	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority Project Manager	Oversight of fund disbursement. Total of 5% of FY 2011-2012 budgeted salary and benefits.	3,106.15	\$3,106.15
Disbursement of Funds - Project Analyst	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority Project Analyst	Primary responsibility of Project Analyst at 5% of FY 2011-2012 budgeted salary and benefits.	1,767.10	\$1,767.10
BHC Annual Financial Review, Financial Consultant	Merged - Golden State, City Centre, and South San Fernando & West Olive	Keyser Marston Associates (KMA)	Expenditures for required monitoring obligations related to the activities of the Burbank Housing Corporation.	45,000.00	\$45,000.00
Auditing of BHC Organization and Oversight of KMA Consultant Contract	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority Project Manager	Oversight of fund disbursement. Total of 10% of FY 2011-2012 budgeted salary and benefits.	6,212.30	\$6,212.30

Affordable Housing Monitoring Obligations - FY 2011-2012



Name of Redevelopment Agency:  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**AMENDED AND RESTATED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited Feb 2012 - Jun 2012)**

Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month Total for Feb. 1, 2012 to Jun. 30, 2012
Project Manager	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority Project Manager	Monitoring and compliance of 1,390 affordable housing units and outstanding financial obligations to the former Redevelopment Agency. Oversight of monitoring efforts of project analyst. Total of 10% of FY 2011-2012 budgeted salary and benefits.	6,212.30	\$6,212.30
Project Analyst	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority Project Analyst	Monitoring and compliance of 1,390 affordable housing units and outstanding financial obligations to the former Redevelopment Agency. Primary responsibility of Project Analyst at 85% of FY 2011-2012 budgeted salary and benefits.	30,040.30	\$30,040.30
<b>Subtotal Low/Mod Housing Projects and Programs</b>				<b>9,096,259.65</b>	<b>\$3,510,092.51</b>
<b>OTHER PROJECTS AND PROGRAMS:</b>					
<b>Downtown Property Business Improvement District (PBID)</b>					
Downtown PBID Assessment	Merged - City Centre	Downtown Burbank Partnership Inc.	Cooperation Agreement with the Burbank Unified School District and the City of Burbank to pay the Annual assessment fee to LA County Assessor's office for properties owned in Downtown Burbank. Last payment to the Downtown Burbank Partnership in FY 2012-2013.	93,564.00	\$0.00
<b>Monitoring of Outstanding Financial Obligations to the Former Redevelopment Agency</b>					
Legal Costs	Merged - Golden State, City Centre, and South San Fernando & West Olive	Stradling Yocca Carlson Rauth	Costs associated with legal services for ongoing advice to the Successor Agency concerning state legislation.	52,582.14	\$52,582.14
<b>Subtotal Other Projects and Programs</b>				<b>152,359.44</b>	<b>\$58,794.44</b>
<b>LOS ANGELES COUNTY TAX SHARING (STIPULATED JUDGEMENT):</b>					

Name of Redevelopment Agency:  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**AMENDED AND RESTATED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited Feb 2012 - Jun 2012)**

Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month Total for Feb. 1, 2012 to Jun. 30, 2012
West Olive Stipulated Judgment and Agreement with County of Los Angeles	West Olive	County of Los Angeles	FY 11/12 West Olive estimated stipulated judgment/agreement amount. The stipulated judgment, dated 1/10/78, dismissed the action by the County to determine validity of the West Olive Redevelopment Project pursuant to an Agreement between parties involved dated 10/25/77. Agreement obligates the West Olive project area to pay a portion of its tax increment to the County and LACCD.	4,282,393.00	\$4,282,393.00
<b>LOS ANGELES COMMUNITY COLLEGE (STIPULATED JUDGEMENT):</b>					
West Olive Stipulated Judgment and Agreement with Los Angeles Community College District	West Olive	Los Angeles Community College District	The stipulated judgment, dated 1/10/78, dismissed the action by the County to	258,851.00	\$258,851.00
<b>COMMUNITY COLLEGE DISTRICT:</b>					
Los Angeles Community College District vs. the County of Los Angeles; et al Case No. BS130308	Merged - South San Fernando	Community College District	Estimated Outstanding Pass Through Payments	228,778	\$0.00
<b>Subtotal Judgments/Lawsuits</b>				<b>4,770,022.00</b>	<b>\$4,541,244.00</b>

**SUMMARY:**

Totals - Tax Allocation Bonds	\$298,941,728.39	\$15,167,481.55
Totals - Redevelopment Agency Debt to City of Burbank	\$37,792,415.06	\$5,208,296.13
Totals - Mall Project	\$118,770,638.01	\$2,793,238.00
Totals - Project Obligations/Housing Projects and Programs	\$9,098,259.65	\$3,510,092.51
Totals - Downtown PBID	\$93,584.00	\$0.00
Totals - Monitoring of Outstanding Financial Obligations to the Former Redevelopment Agency	\$6,212.30	\$6,212.30
Totals - Legal Costs	\$52,582.14	\$52,582.14
Totals - Los Angeles County Tax Sharing (Stipulated Judgment)	\$4,282,393.00	\$4,282,393.00
Totals - Los Angeles Community College (Stipulated Judgment)	\$258,851.00	\$258,851.00
Totals - Pending Judgment/Lawsuit with Community College District	\$228,778.00	\$0.00
<b>Total - Amended Enforceable Obligation Payments</b>	<b>\$468,523,421.55</b>	<b>\$31,279,146.93</b>

Name of Redevelopment Agency:  
Project Area(s):

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**AMENDED AND RESTATED ENFORCEABLE OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
**Per AB 26 - Section 34167 and 34169 (1)**  
**(Unaudited Feb 2012 - Jun 2012)**

Project Name / Debt Obligation	Project Area	Payee	Description	Payments by Month	
				Total Outstanding Debt or Obligation as of February 1, 2012	Total for Feb. 1, 2012 to Jun. 30, 2012

**HIGHLIGHT LEGEND:**

BLACK FONT/YELLOW HIGHLIGHT	CPA Firm to review validity and amount of obligation.
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Name of Redevelopment Agency  
Project Area(s):

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

# **DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**

Per AB 26 - Section 34177

Fiscal Year 2011-2012

(Unaudited Feb 2012 - June 2012)

Footnote	Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month Total for Feb. 1, 2012 to Jun. 30, 2012
<b>TAX ALLOCATION BONDS:</b>						
	1 Golden State 1993 Series A Tax Allocation Bond - Reserve Fund	Merged - Golden State	Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$410,000 to \$4,655,000 through December 1, 2024. Interest at various rates ranging from 2.75% to 6.25% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the	60,675,387.50	\$4,983,825.00
	1.1 Golden State 1993 Series A Tax Allocation Bond - Reserve Fund	Merged - Golden State	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	\$,050,024.51	\$0.00
	2 Golden State 2003 Series A Tax Allocation Bond - Reserve Fund	Merged - Golden State	Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$780,000 to \$5,620,000 through December 1, 2024. Interest at various rates ranging from 1.625% to 5.25% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of 1	24,893,437.50	\$2,769,875.00
	2.1 Golden State 2003 Series A Tax Allocation Bond - Reserve Fund	Merged - Golden State	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	2,707,775.48	\$0.00
	3 Golden State 1993 Subordinated Tax Allocation Bond (Remainder)	Merged - Golden State	Bond Holders Via Wells Fargo Bank	The bonds were issued for the purpose of financing redevelopment activities within or for the benefit of the Agency's Golden State project. The bonds were originally sold to the City of Burbank and the proceeds of the remaining will be used to (a) fund	56,218,021.30	\$1,338,327.50
	3.1 Golden State 1993 Subordinated Tax Allocation Bond (Remainder) - Reserve Fund	Merged - Golden State	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	1,949,483.75	\$0.00
	4 Golden State 2007 Series A Revenue Bonds	Merged - Golden State	PFA and Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$50 to \$2,695 through December 1, 2043. Interest at various rates ranging from 3.50% to 5.00% is payable semiannually on June 1 and December 1. The bonds provided funds for (i) refunding a portion of the AUF	87,605,376.30	\$2,365,735.00
	5 City Centre 1993 Series A Tax Allocation Bonds	Merged - City Centre	Bond Holders Via Wells Fargo Bank	The Bonds are due in annual installments from \$55 to \$1,665 through December 1, 2023. Interest at various rates ranging from 2.50% to 5.50% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the income	21,091,800.00	\$1,756,425.00
	5.1 City Centre 1993 Series A Tax Allocation Bonds - Reserve Fund	Merged - City Centre	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	1,742,662.50	\$0.00

Name of Redevelopment Agency  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
**Per AB 26 - Section 34177**  
**Fiscal Year 2011-2012**  
**(Unaudited Feb 2012 - June 2012)**

	Footnote	Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month Total for Feb. 1, 2012 to Jun. 30, 2012
		Community Facilities District No. 2005-1 Special Tax a) Revenue Bond	Merged - City Centre	Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$265,000 to \$555,000 through December 1, 2023. Interest at various rates ranging from 4.00% to 5.20% is payable semiannually on June 1 and December 1. The bonds are collateralized by a first pledge of all in.	7,120,495.00	\$555,425.00
		Community Facilities District No. 2005-1 Special Tax b) Revenue Bond - Reserve Fund	Merged - City Centre	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	555,420.00	\$0.00
		West Olive 2002 Series A Tax Allocation Bond	West Olive	Bond Holders Via Wells Fargo Bank	The Bonds are due in annual installments from \$380,000 to \$925,000 through December 1, 2026. Interest at various rates ranging from 2.00% to 5.125% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the in	14,455,180.02	\$955,677.50
		West Olive 2002 Series A Tax Allocation Bond - 7) Reserve Fund	West Olive	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	951,475.00	\$0.00
		South San Fernando 2003 Series B Tax Allocation 8) Bond	Merged - South San Fernando	Bond Holders Via Wells Fargo Bank	The bonds are due in annual installments from \$85,000 to \$330,000 through December 1, 2033. Interest at various rates ranging from 2.00% to 5.50% is payable semiannually on June 1 and December 1. These bonds are collateralized by a first pledge of the in	7,540,525.04	\$345,959.20
		South San Fernando 2003 Series B Tax Allocation a) Bond	Merged - South San Fernando	Bond Holders Via Wells Fargo Bank	Reserve fund for bond	345,927.88	\$0.00
(1)		9) RDA All Debt Service Funds (201 - 207)	Merged - Golden State, City Centre, and South San Fernando & West Olive	NBS	Continuing Disclosure Annual Report	12,500.00	\$12,500.00
(1)		10) Golden State Bank Service Charges	Merged - Golden State	Bank of America/Wells Fargo	FY 11/12 estimated bank service charges/Trustee Admin Fees/Arbitrage Analysis	25,667.74	\$25,667.74
(1)		11) City Centre Bank Service Charges	Merged - City Centre	Bank of America/Wells Fargo	FY 11/12 estimated bank service charges/Trustee Admin Fees/Arbitrage Analysis	6,800.00	\$6,800.00
(1)		12) West Olive Bank Service Charges	West Olive	Bank of America/Wells Fargo	FY 11/12 estimated bank service charges/Trustee Admin Fees/Arbitrage Analysis	1,693.55	\$1,693.55
(1)		13) South San Fernando Bank Service Charges	Merged - South San Fernando Merged - Golden State, City Centre, and South San Fernando & West Olive	Bank of America/Wells Fargo	FY 11/12 estimated bank service charges/Trustee Admin Fees/Arbitrage Analysis	4,300.00	\$4,300.00
(1)		14) Oversight of Bonds	City of Burbank	City of Burbank	Monitoring and Oversight of Bonds	2,659.00	\$2,659.00



Name of Redevelopment Agency  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
Per AB 26 - Section 34177  
Fiscal Year 2011-2012  
(Unaudited Feb 2012 - June 2012)

	Footnote	Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month Total for Feb. 1, 2012 to Jun. 30, 2012
		Footnote: Jun'12 includes the bond interest due on 6/1/12 of \$4,495,130.63 and bond principal/interest payments due 12/1/12 of \$10,615,130.63				293,111,492.08	15,163,881.55
		Subtotal Tax Allocation Bonds					
		<b>BURBANK REDEVELOPMENT AGENCY DEBT TO THE CITY OF BURBANK:</b>					
		Agreement Between the City of Burbank and Redevelopment Agency of the City of Burbank establishing certain City/Agency relationships Adopted September 29, 1970. As amended in 1973, 1985 and 2003. Item No. 15 (West Olive) and No. 19 (City Centre) Loan from	Merged - Golden State, City Centre, and South San Fernando & West Olive	City of Burbank	Reimbursement to the City of Burbank for costs related to services provided pursuant to this Agreement that include but are not limited to: legal services, financial services, insurance costs, office space rental, equipment, etc.	1,493,711.88	\$1,493,711.88
	15	West Olive Loan from City General Fund as an Advance from the City and Agency Agreement (No. 15) dated September 29, 1970.	West Olive	City of Burbank	Promissory Note Dated December 31, 1985 for City funds advanced totaling \$225,000 to the West Olive project area pursuant to 1970 City and Agency Agreement. The Promissory Note bears 7% interest per year and is currently being paid quarterly. There is a	232,875.00	\$31,162.50
	16	South San Fernando Loan from City General Fund	Merged - South San Fernando	City of Burbank	Agreement between the City and the Agency (resolution no. 25,232 on 2/10/98) to advance the Agency an aggregate amount of \$191,381 representing project formation costs of the South San Fernando project area. The advance has no interest or repayment sched	191,380.55	\$19,138.06
	17	City Centre Sales Tax Coop	Merged - City Centre	City of Burbank	Sales Tax Cooperation Agreement between the City and Agency through which the City agreed to advance funds necessary for payments on a disposition and development agreement between the Agency and a developer. Interest on the advances accumulates at an an	2,554,114.04	\$255,411.40
	18	City Centre Loan from City General Fund as an Advance from the City and Agency Agreement (No. 15) dated September 29, 1970.	Merged - City Centre	City of Burbank	Promissory Note Dated December 31, 1985 in which the City agreed to advance funds to the City Centre project area necessary for land acquisition and related expenses pursuant to 1970 City and Agency Agreement. Resolution No. R-2082 (December 2003) reaffir	33,234,957.00	\$3,323,495.70
	19	Subtotal Debt to City				37,707,038.47	\$5,122,919.54
		<b>MALL PROJECT:</b>					
		In September 1988, the Burbank Redevelopment Agency entered into a Disposition and Development Agreement (DDA) with the Alexander Haagen company for the site assembly and development of 41 acres for the then "Burbank Gateway Center" (Mall Project). Items					



Name of Redevelopment Agency:  
Project Area(s):

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

# DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY

Per AB 26 - Section 34177

Fiscal Year 2011-2012

(Unaudited Feb 2012 - June 2012)

Footnote	Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month Total for Feb. 1, 2012 to Jun. 30, 2012
	Haagen DDA (Burbank Partners) - City Centre Property Tax Rebate	Merged - City Centre	Burbank Mail Associates LLC	In November 1989, City Centre project area entered into a promissory note with Haagen-Burbank Partners for \$16,500,000. The loan shall be repaid in semi-annual installments of principal and interest, compounded monthly, on February 1st and August 1st.	42,240,701.70	\$516,440.00
20	Haagen DDA (Burbank Partners) - City Centre Sales Tax Rebate	Merged - City Centre	Burbank Mail Associates LLC	In December 1990, City Centre project area entered into a promissory note with Haagen-Burbank Partners for \$33,000,000. The loan shall be repaid in semi-annual installments of principal and interest, compounded monthly, on February 1st and August 1st.	76,628,936.31	\$2,276,788.00
21						
	Subtotal Mail/Non-Housing Projects				118,770,638.01	\$2,793,228.00
LOW-MOD HOUSING PROJECTS AND PROGRAMS:						
	22.57 East Palm	Merged - City Centre	Low and Moderate Income Housing Fund	Land purchased on June 24, 2003 with Low and Moderate Income Housing Funds and held for future affordable housing development. Obligation to reimburse Low Moderate Income Housing Fund if not developed by June 24, 2013.	525,669.13	\$525,669.13
	23 New Catalina Development 2223-2235 N. Catalina	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Corporation	Per Affordable Housing Agreement between the Agency and BHC, dated 5-12-11, construct a new 20-unit development to provide affordable housing. Agency Resolution No. R-2251.	6,283,586.75	\$1,958,601.23
	23.1 Construction Management 2223-2235 N. Catalina	Merged - Golden State, City Centre, and South San Fernando & West Olive	KSD Group Inc.	Per professional services agreement dated 5-10-11, construction management services for the project located at 2223-2235 N. Catalina provided under Affordable Housing Agreement between the Agency and BHC. Effectiveness date 5-10-11 to 1-31-13.	112,072.10	\$35,986.06
(1)	23.2 Relocation Services 2223-2235 N. Catalina	Merged - Golden State, City Centre, and South San Fernando & West Olive	Overland Pacific and Cutler	Assist with support service consisting of general policy consultation relocation planning relocation assistance implementation services, appeals support interim property management and any other related services associated with the 2223-2235 N. Catalina S	9,762.50	\$9,762.50
	23.3 Project Management 2223-2235 N. Catalina	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority Project Manager	Oversight and project management of approved project. Total of 40% of FY 2011-2012 budgeted salary and benefits. (Construction Completion 1/31/13)	59,637.86	\$24,849.10



Name of Redevelopment Agency  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

# DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY

Per AB 26 - Section 34177

Fiscal Year 2011-2012

(Unaudited Feb 2012 - June 2012)

Footnote	Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month	
						Total for Feb. 1, 2012 to Jun. 30, 2012	
	24 2234 N. Catalina St.	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Corporation	Per Affordable Housing Agreement, dated 12-9-10, between the Agency and BHC, rehabilitate a 7-unit residential building to provide affordable housing. Agency Resolution No. R-2240, City Resolution No. 28-242.	286,336.37		\$286,336.37
	24.1 Project Management - 2234 N. Catalina	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority Project Manager	Oversight and project management of approved project. Total of 5% of FY 2011-2012 budgeted salary and benefits.	3,106.14		\$3,106.14
	25 Keeler/Elliott Development	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Corporation and Habitat for Humanity	Eight-unit affordable housing development being built in partnership with Habitat for Humanity of Greater Los Angeles, the Agency, and BHC under an Owner Participation Agreement dated 9-3-09. Agency Resolution No. R-2215, City Resolution No. 27-924.	174,938.12		\$74,938.12
	25.1 Project Management - Keeler/Elliott Development	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority Project Manager	Oversight and project management of approved project. Total of 25% of FY 2011-2012 budgeted salary and benefits.	15,530.70		\$15,530.70
(1)	25.2 Lender's Documentation Compliance Review - Keeler/Elliott Homeownership Development	Merged - Golden State, City Centre, and South San Fernando & West Olive	Kronick, Moskovitz, Tiedemann & Girard	Review of Lender's Compliance Requirements for Affordable Housing Gap Financing pursuant to 2009 Keeler/Elliott Owner Participation Agreement. Not-to-exceed contract in the amount of \$5,000.	5,000.00		\$5,000.00
	26 BHC Developer Fee	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Corporation	Per the following Affordable Housing Agreements, provide long-term solution to assist BHC with increasing its capacity: 1) 157 Linden/160 Elm (dated 4-5-08) Agency Resolution No. R-2152, City Resolution No. 27-213 2) 2219 & 2329 N	1,195,353.50		\$417,052.00
	26.1 Disbursement of Funds - Project Manager	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority Project Manager	Oversight of fund disbursement. Total of 5% of FY 2011-2012 budgeted salary and benefits.	3,106.15		\$3,106.15
	26.2 Disbursement of Funds - Project Analyst	Merged - Golden State, City Centre, and South San Fernando & West Olive	Successor Agency Staff Person	Primary responsibility of Project Analyst at 10% of FY 2011-2012 budgeted salary and benefits.	3,534.15		\$3,534.15
	27 Rent Subsidy Reserve (Transitional Housing Rent Subsidy)	Merged - Golden State, City Centre, and South San Fernando & West Olive	Burbank Housing Corporation	Per the following Affordable Housing Agreements (AHA's) or Disposition and Development Agreements (DDA's) between the Agency and BHC, Rent Subsidy Funds were established to assist tenants of the properties with incomes below the th	326,889.00		\$5,400.00

Name of Redevelopment Agency:  
Project Area(s):

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
**Per AB 26 - Section 34177**  
**Fiscal Year 2011-2012**  
**(Unaudited Feb 2012 - June 2012)**

Footnote	Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month Total for Feb. 1, 2012 to Jun. 30, 2012
	27.1 Disbursement of Funds - Project Manager	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority - Project Manager	Oversight of fund disbursement. Total of 5% of FY 2011-2012 budgeted salary and benefits.	3,106.15	\$3,106.15
	27.2 Disbursement of Funds - Project Analyst	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority - Project Analyst	Primary responsibility of Project Analyst at 5% of FY 2011-2012 budgeted salary and benefits.	1,767.10	\$1,767.10
(1)	28 BHC Annual Financial Review - Financial Consultant	Merged - Golden State, City Centre, and South San Fernando & West Olive	Keyser Marston Associates (KMA)	Expenditures for required monitoring obligations related to the activities of the Burbank Housing Corporation.	45,000.00	\$45,000.00
(1)	28.1 Auditing of BHC Organization and Oversight of KMA Consultant Contract	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority - Project Manager	Oversight of fund disbursement. Total of 10% of FY 2011-2012 budgeted salary and benefits.	6,212.30	\$6,212.30
	29 Affordable Housing Monitoring Obligations - FY 2011-2012					
	29.1 Project Manager	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority - Project Manager	Monitoring and compliance of 1,390 affordable housing units and outstanding financial obligations to the former Redevelopment Agency. Oversight of monitoring efforts of project analyst. Total of 10% of FY 2011-2012 budgeted salary and benefits.	6,212.30	\$6,212.30
	29.2 Project Analyst	Merged - Golden State, City Centre, and South San Fernando & West Olive	Housing Successor Entity - Burbank Housing Authority - Project Analyst	Monitoring and compliance of 1,390 affordable housing units and outstanding financial obligations to the former Redevelopment Agency. Primary responsibility of Project Analyst at 85% of FY 2011-2012 budgeted salary and benefits.	30,040.30	\$30,040.30
	<b>Subtotal Low/Mod Housing Projects and Programs</b>				<b>9,096,860.65</b>	<b>\$3,461,209.83</b>
<b>OTHER PROJECTS AND PROGRAMS:</b>						
Downtown Property Business Improvement District (PBID)						
	30 Downtown PBID Assessment	Merged - City Centre	Downtown Burbank Partnership Inc.	Cooperation Agreement with the Burbank Unified School District and the City of Burbank to pay the Annual assessment fee to LA County Assessor's office for properties owned in Downtown Burbank. Last payment to the Downtown Burbank Partnership in FY 2012-2	93,564.00	\$0.00
Monitoring of Outstanding Financial Obligations to the Former Redevelopment Agency						



Name of Redevelopment Agency:  
Project Area(s):

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

**DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY**  
Per AB 26 - Section 34177  
Fiscal Year 2011-2012  
(Unaudited Feb 2012 - June 2012)

Footnote	Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month Total for Feb. 1, 2012 to Jun. 30, 2012
	Project Manager for the monitoring of Economic Development Loans between private parties and the former Redevelopment Agency	Merged - City Centre and South San Fernando	City of Burbank as the Successor Agency to the former Redevelopment Agency	Required and contractual expenditures for the monitoring of outstanding financial obligations to the former Redevelopment Agency for Economic Development loans between Westwind Media, EQ3 and Flapper's Comedy Club and the former Burbank Redevelopment Agency	8,212.30	\$8,212.30
	Legal Costs					
	32 Legal Costs	Merged - Golden State, City Centre, and South San Fernando & West Olive	Strading Yocca Carlson Rauth	Costs associated with legal services for ongoing advice to the Successor Agency concerning state legislation.	52,582.14	\$52,582.14
	Subtotal Other Projects and Programs				152,358.44	\$58,794.44
<b>LOS ANGELES COUNTY TAX SHARING (STIPULATED JUDGEMENT):</b>						
	West Olive Stipulated Judgment and Agreement with 33 County of Los Angeles	West Olive	County of Los Angeles	FY 11/12 West Olive estimated stipulated judgment/agreement amount. The stipulated judgment, dated 1/10/78, dismissed the action by the County to determine validity of the West Olive Redevelopment Project pursuant to an Agreement between parties involved	4,282,393.00	\$4,282,393.00
<b>LOS ANGELES COMMUNITY COLLEGE (STIPULATED JUDGEMENT):</b>						
	West Olive Stipulated Judgment and Agreement with 34 Los Angeles Community College District	West Olive	Los Angeles Community College District	FY 11/12 West Olive estimated stipulated judgment/agreement amount. The stipulated judgment, dated 1/10/78, dismissed the action by the County to determine validity of the West Olive Redevelopment Project pursuant to an Agreement between parties involved	258,851.00	\$258,851.00
<b>COMMUNITY COLLEGE DISTRICT:</b>						
	Los Angeles Community College District vs. the County 35 of Los Angeles, et al Case No. 85130308	Merged - South San Fernando	Community College District	Estimated Outstanding Pass Through Payments	326,778	\$0.00
	Subtotal Judgments/Lawsuits				4,770,022.00	\$4,541,244.00

HIGHLIGHT LEGEND:

Name of Redevelopment Agency:  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

### OTHER OBLIGATION PAYMENT SCHEDULE (Unaudited - Feb 2012 - Jun 2012)

Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Total Due During Fiscal Year 2011-2012 (Jul. 1, 2011 - Jun. 30, 2012)	Total	Source of Payment
<b>TAX INCREMENT ADMINISTRATION FEES:</b>							
1) Golden State Tax Increment Admin Fees	Merged - Golden State	County of Los Angeles	FY 11/12 estimated tax increment administrative fees	56,096.06	56,096.06	56,096.06	Tax Increment
2) City Centre Tax Increment Admin Fees	Merged - City Centre	County of Los Angeles	FY 11/12 estimated tax increment administrative fees	14,976.96	14,976.96	14,976.96	Tax Increment
3) West Olive Tax Increment Admin Fees	West Olive	County of Los Angeles	FY 11/12 estimated tax increment administrative fees	11,503.44	11,503.44	11,503.44	Tax Increment
4) South San Fernando Tax Increment Admin Fees	Merged - South San Fernando	County of Los Angeles	FY 11/12 estimated tax increment administrative fees	9,106.21	9,106.21	9,106.21	Tax Increment
<b>AB1290 TAX SHARING OBLIGATION:</b>							
5) West Olive AB1290 Tax Sharing Obligation	West Olive	City General Fund	FY 11/12 estimated pass through payment to the City of Burbank	28,000.00	28,000.00	28,000.00	Tax Increment
6) West Olive AB1290 Tax Sharing Obligation	West Olive	Other Non-City Taxing Entities Share	FY 11/12 estimated pass through payments to Non-City entities	28,000.00	28,000.00	28,000.00	Tax Increment
7) South San Fernando AB1290 Tax Sharing Obligation	Merged - South San Fernando	City General Fund	FY 11/12 estimated pass through payment to the City of Burbank	54,000.00	54,000.00	54,000.00	Tax Increment
8) South San Fernando AB1290 Tax Sharing Obligation	Merged - South San Fernando	Other Non-City Taxing Entities Share	FY 11/12 estimated pass through payments to Non-City entities	96,000.00	96,000.00	96,000.00	Tax Increment
9) South San Fernando AB1290 Tax Sharing Obligation	Merged - South San Fernando	County of Los Angeles	FY 11/12 estimated pass through payments to County of Los Angeles	0.00	0.00	0.00	Tax Increment
<b>Totals - Other Obligations</b>				<b>\$ 287,682.67</b>	<b>\$ 287,682.67</b>	<b>\$ 287,682.67</b>	

\* All payment amounts are estimates.

#### HIGHLIGHT LEGEND:

RED FONT	Auditor-Controller staff responsible for calculating Pass-Through and Administrative costs. No further work proposed.
RED FONT/GREY HIGHLIGHT	Potentially unenforceable obligation and requires County Counsel review. No further work proposed.
GREEN FONT	Auditor-Controller staff has verified the obligation exists and is valid. No further work proposed.
RED FONT/YELLOW HIGHLIGHT	CPA Firm please obtain documentation and forward to Auditor-Controller for County Counsel review. In addition, CPA firm is responsible for verifying the dollar amount of the obligation.
BLACK FONT/YELLOW HIGHLIGHT	CPA Firm to review validity and amount of obligation.

Name of Redevelopment Agency  
Project Area(s)

Burbank Redevelopment Agency  
Merged (Golden State, City Centre, South San Fernando) and West Olive

# DRAFT RECOGNIZED OBLIGATION PAYMENT SCHEDULE TO SUCCESSOR AGENCY

Per AB 26 - Section 34177

Fiscal Year 2011-2012

(Unaudited Feb 2012 - June 2012)

Footnote	Project Name / Debt Obligation	Project Area	Payee	Description	Total Outstanding Debt or Obligation as of February 1, 2012	Payments by Month	
						Total for Feb. 1, 2012 to Jun. 30, 2012	
				Auditor-Controller staff responsible for calculation Pass-Through and Administrative costs. No further work proposed.			
				Potentially unenforceable obligation and requires County Counsel review. No further work proposed.			
				Auditor-Controller staff has verified the obligation exists and is valid. No further work proposed.			
				CPA Firm please obtain documentation and forward to Auditor-Controller for County Counsel review. In addition, CPA firm is responsible for verifying the dollar amount of the obligation.			
				CPA Firm to review validity and amount of obligation.			

## FOOTNOTES:

(1) The total obligation amount is immaterial. No further work proposed.





**County of Los Angeles  
Agreed-Upon Procedures Engagement  
Pursuant to the Redevelopment Agency  
Dissolution Bill (ABx1 26) of 2011  
Successor Agency  
City of Burbank, California**

**Comparative Asset Balance Schedule (Unaudited)**

	<u>As of January 31, 2012</u>	<u>As of * June 30, 2011</u>	<u>As of* June 30, 2010</u>
<b>ASSETS</b>			
Cash and investments	\$ 51,042,182	\$ 48,789,000	\$ 72,763,000
Restricted non-pooled cash and cash equivalents	-	25,197,000	-
Restricted investments	22,159,036	22,375,000	17,508,000
Accounts receivable	83,781	186,000	59,000
Interest receivable	420,623	270,000	451,000
Taxes receivable	-	1,747,000	2,094,000
Notes receivable	37,767,779	37,801,000	40,397,000
Advances receivable	2,007,137	2,007,000	680,000
Other assets	-	28,000	1,000
Land held for resale, net	525,669	526,000	526,000
Capital Assets	-	51,948,000	51,948,000
<b>TOTAL ASSETS</b>	<u><b>\$ 114,006,207</b></u>	<u><b>\$ 190,874,000</b></u>	<u><b>\$ 186,427,000</b></u>

\*Obtained from audited financial statements of the redevelopment agency for the fiscal years ended June 30, 2010 and June 30, 2011.

### Successor Agency - Burbank

The results of those procedures performed by the Auditor-Controller (A-C) are as follows:

#### Procedure B.1.a

Inspect evidence that the successor agency was established by February 1, 2012.

##### *Results*

No exceptions were noted as a result of performing this procedure.

#### Procedure B.1.b

Inspect evidence that the oversight board members were appointed and their names were submitted to the Department of Finance (Finance) by May 1, 2012.

##### *Results*

The appointed oversight board member names were submitted to Finance on May 16, 2012.

#### Procedure C.1

We obtained a copy of the draft Recognized Obligation Payment Schedule (ROPS) from the successor agency.

##### *Results*

No exceptions were noted as a result of performing this procedure.

#### Procedure C.2

Inspect evidence that the initial draft ROPS was prepared by March 1, 2012 by the successor agency.

##### *Results*

Initial draft ROPS was prepared on March 12, 2012 by the successor agency.



**Procedure C.3**

Determine if the certified draft ROPS was approved by the oversight board. If the certified draft ROPS was not approved by the date of this report, we noted it as a finding.

***Results***

No exceptions were noted as a result of performing this procedure.

**Procedure C.4**

Determine if the draft ROPS was submitted to the County Auditor-Controller, State Controller, and Finance.

***Results***

No exceptions were noted as a result of performing this procedure.

**Procedure E.1**

Obtain a copy of pass-through payment agreements from the successor agency.

***Results***

No exceptions were noted as a result of performing this procedure. The successor agency has provided the A-C with copies of all pass-through agreements.

**Procedure E.2**

We obtained a list of pass-through obligations from the successor agency as of January 31, 2012, including the recipient and terms of each pass-through obligation.

***Results***

The City of Burbank Successor Agency did provide the A-C a list of pass-through obligations, and indicated that they did not make any pass-through payments for the period July 1, 2011 to January 31, 2012.

**Procedure E.3**

Obtain a list of pass-through payments made between July 1, 2011 and January 31, 2012 and verified payments.

**Results**

As indicated, the City of Burbank Successor Agency did not make any pass-through payments for the period July 1, 2011 to January 31, 2012. However, the A-C distributed the County Entities' and Schools share of contractual and statutory pass-through payments for the period from November 1, 2011 to January 31, 2012 as follows:

<b>Pass-through Taxing Entity</b>	<b>Pass-through Amount Paid</b>
County Entities	\$2,041,820.89
City	0
Special Districts	0
Schools	0
<b>TOTAL</b>	<b>\$2,041,820.89</b>



COUNTY OF LOS ANGELES  
OFFICE OF THE COUNTY COUNSEL


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500 WEST TEMPLE STREET  
LOS ANGELES, CALIFORNIA 90012-2713

JOHN F. KRATTLI  
County Counsel

September 11, 2012

TELEPHONE  
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TO: WENDY WATANABE  
Auditor-Controller

FROM: JUDY W. WHITEHURST   
Assistant County Counsel  
Government Services Division

RE: **Legal Analysis of Burbank ROPS Items**

Pursuant to your request, our office conducted a legal analysis to supplement the agreed-upon procedures audit conducted pursuant to Health & Safety Code section 34182(a). Specifically, you requested that we review the ten agreements described in the "Findings" section below to determine whether each is an "enforceable obligation" pursuant to ABx1 26 (Chapter 5, Statutes 2011) and AB 1484 (Chapter 26, Statutes 2012). We have consulted with outside counsel, reviewed documents provided by the successor agency to the former Burbank Redevelopment Agency ("Agency"), and reviewed correspondence from the Department of Finance ("DOF") in its review of the Recognized Obligation Payment Schedule ("ROPS"),<sup>1</sup> and have come to the conclusions discussed below.

**Findings**

1. The Services Agreement between the City of Burbank ("City") and the Agency establishing certain City-Agency relationships is not an enforceable obligation.<sup>2</sup>
2. Item No. 15, the agreement between the City and the Agency for the West Olive Redevelopment Project, is not an enforceable obligation.

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<sup>1</sup> The Department of Finance did not challenge or address any of the agreements identified for our review in its May 30, 2012 ROPS determination letter to the City of Burbank.

<sup>2</sup> This item did not appear on the final ROPS submitted to DOF for approval.



3. The Cooperation and Reimbursement Agreement between the City and the Agency for the South San Fernando Redevelopment Projects is not an enforceable obligation.<sup>3</sup>

4. The Sales Tax Cooperation Agreement between the City and the Agency is not an enforceable obligation.<sup>4</sup>

5. Item No. 16, an agreement between the City and the Agency for the City Centre Redevelopment Project, is not an enforceable obligation.

6. Item Nos. 17 and 18, agreements between the Agency and Haagen-Burbank Partners ("Haagen") for the City Centre Redevelopment Project, appear to be enforceable obligations.

7. Item Nos. 19 and 20, Affordable Housing Agreements between the Agency and the Burbank Housing Corporation for property located on Catalina Street, appear to be enforceable obligations.

8. Item No. 22 is an agreement between the Agency and Burbank Housing Corporation for Developer Fees for the purchase, rehabilitation, and management of low and moderate-income housing units. This is an enforceable obligation, however, further documentation is needed in order to confirm the total debt amount.

### **Background**

The Agency was created in 1970 by the City with the passage of City Ordinance No. 2223. ABx1 26 provides for the dissolution and winding down process of all Redevelopment Agencies (generically referred to as "RDAs") in the State of California. *See, e.g.*, sections 34170-34191. As part of the wind down process, ABx1 26 sets forth which RDA contracts remain enforceable and subject to payment by the RDA successor agencies. Section 34171. Generally, an "enforceable obligation" of an RDA means any of the following: bonds, loans of moneys, federally required payments, judgments/settlements, any legally binding contract, contracts for the continued administration of the RDA, and payments owing to the Low and Moderate Income Housing Fund of a redevelopment agency. *See* section 34171(d)(1)(A)-(G).

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<sup>3</sup> This item did not appear on the final ROPS submitted to DOF for approval.

<sup>4</sup> This item did not appear on the final ROPS submitted to DOF for approval.

However, section 34171(d)(2) specifically excludes as enforceable obligations “any agreements, contracts, or arrangements between the city, county or city and county that created the redevelopment agency and the former redevelopment agency. . .” Section 34171(d)(2). *See California Redevelopment Association v. Matosantos*, at p. 26 n. 12 (recognizing the Legislature’s likely understanding that such agreements were not the product of arm’s-length transactions given the conjoined nature of RDAs and their creator entities). Two exceptions to the general rule excluding agreements or contracts between an RDA and its creating entity are: 1) written agreements entered into at the time of the issuance of indebtedness obligations and solely for the purpose of securing or repaying those indebtedness obligations, and 2) loan agreements entered into between an RDA and city or county that created it, within two years of the date of the creation of the RDA. Section 34171(d)(2). Section 34171(e) defines “indebtedness obligations” to mean:

bonds, notes, certificates of participation, or other evidence of indebtedness, issued or delivered by the redevelopment agency, or by a joint exercise of powers authority created by the redevelopment agency, *to third-party investors or bondholders to finance or refinance redevelopment projects undertaken by the redevelopment agency in compliance with the Community Redevelopment Law (Part 1 (commencing with Section 33000))*.

Section 34171(e) (*italics added*).

### Analysis

#### A. Services Agreement Between City of Burbank and the Agency

In 1970, the Agency and the City entered into an Agreement Establishing Certain City-Agency Relationships (“1970 Agreement”).<sup>5</sup> The 1970 Agreement set forth the operating guidelines for the newly formed Agency including, but not limited to, how various City officials would make up the membership and officers of the Agency (1970 Agreement sections 101-105), where the main Agency office would be located (section 300), and what support role the City would play in the provision of “services” to the Agency (section 201). Importantly, the 1970 Agreement also provided that the cost for such services performed by the City be reimbursed by the Agency when funds are available to do so. *Id.* Sections 202, 203.

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<sup>5</sup> The Agreement for Reimbursement has been identified as Agency debt on the Statement of Indebtedness. (See Agency Resolution No. R- 2092 ¶ H)



In 1972, the Agency and City agreed to amend the 1970 Agreement and formalized the "First Amendment" by Agency Resolution R-40 and City Council Resolution No. 16,223. The First Amendment made minor changes to section 202 of the 1970 Agreement, putting in place a requirement that the City and Agency agree on the sum of any reimbursement for services. The parties further amended the 1970 Agreement in 1985 by Agency Resolution No. R-1350 and City Council Resolution No. 21,479. The "Second Amendment" further delineated and specified the types of services the City agreed to provide and the funding obligations the City agreed to undertake. The Second Amendment also included a more specific method of reimbursement with respect to tax allocations that was absent from the original 1970 Agreement.

In 2003, the Agency adopted Resolution No. R-2092 in what ostensibly is an omnibus affirmation of debts owed to the City. In addition to affirmation of certain debts, R-2092 also amended the 1970 Agreement for the third time. This "Third Amendment" made two important changes to the 1970 Agreement for purposes of this analysis. First, the Third Amendment expressly made the 1970 Agreement effective only for as long as the Agency is "active and a legal entity." Second, the Third Amendment includes an order of precedence clause that gives priority to the Third Amendment over the 1970 Agreement and any prior Amendments thereto.

The 1970 Agreement is identified on the January through June 2012 ROPS as Item 15, but does not appear to be listed on the July through December ROPS approved by the DOF. This may be due to once-yearly payments.

While the Third Amendment arguably resolves the question of enforceability of the 1970 Agreement because the Agency is no longer active, for purposes of exhaustive analysis, we will assume the Third Amendment is not necessarily dispositive on this issue and continue with the analysis.<sup>6</sup>

The 1970 Agreement is between the City and the Agency, and as a result is unenforceable under section 34171(d)(2) because neither exception for city/agency contracts applies. First, while the 1970 Agreement might be considered "evidence of indebtedness," especially as amended, the debt was not issued to a third-party investor or bondholder as required by subsection (e). Second, even if the 1970 Agreement could be considered an indebtedness obligation, the 1970 Agreement's sole purpose is not to secure or repay any such

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<sup>6</sup> We were provided Agency Resolution No. R-2092. It appears the City also passed a coinciding Resolution No. 26,623 to approve the Third Amendment, but we have not yet confirmed the terms of this resolution and its contents will not alter this analysis.



indebtedness. Instead, the primary purpose of the 1970 Agreement is to establish certain City-Agency relationships and service agreements. Thus, this exception to section 3417(d)(2) cannot be deemed to apply to the 1970 Agreement.

The second exception related to RDA loan agreements requires an agreement to be both (a) a loan and (b) entered into within two years of the creation of the Agency. Section 34171(d)(2). Here, while the 1970 Agreement was entered into contemporaneously with the formation of the Agency, it was not a loan agreement and has apparently never been modified into a loan agreement. Accordingly, the second exception excluding city/agency contracts as enforceable obligations likewise does not apply to the 1970 Agreement.

The Legislature expressly excluded agreements, contracts, and arrangements between RDAs and their respective city or county creators from the list of enforceable obligations.<sup>7</sup> The 1970 Agreement is a service and reimbursement arrangement between an RDA and the city that created it and no applicable exception applies. In addition to the above analysis, and assuming the Third Amendment was agreed to by the City, it is clear that the 1970 Agreement would be enforceable only as long as the Agency remains a legal entity. As the Agency has been formally dissolved and no longer exists, the 1970 Agreement, by its own terms, is no longer enforceable. Therefore, the 1970 Agreement is not an enforceable obligation on grounds related to both section 34171(d)(2) and the terms of the Third Amendment.

#### **B. West Olive Redevelopment Project Promissory Note**

On December 31, 1985, the Agency executed a promissory note ("West Olive Note") in favor of the City for a total sum of \$232,875. The terms of the West Olive Note included a principal sum of \$225,000 to be repaid with an interest rate of seven percent, and a principal sum of \$7,875 to be repaid without interest. The execution of the West Olive Note was authorized by Agency resolution R-1352, dated December 23, 1985.

On December 23, 2003, the Agency reaffirmed this debt to the City in Resolution No. 2092. In March 2011, the Agency passed Resolution No. R-2246, which among other things, reaffirmed the debt owed by the Agency to the City vis-à-vis the West Olive Note. *See* R-2246 ¶ B3. Pursuant to terms of R-2246, the Agency agreed to pay the City all amounts owed beginning either when the redevelopment plan was no longer effective or when the redevelopment

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<sup>7</sup> Section 34173(h), as amended by AB 1484, allows cities to make new loans to successor agencies. It does not, however, validate loans between cities and former RDA that predated the dissolution of the RDA.

plan terminates by legislative action. R-2246, Exhibit A ¶ 1. The West Olive Note is listed as Item 16 on the January through June 2012 ROPS with an outstanding obligation of \$232,875.

The West Olive Note is between the City and the Agency, and as a result is unenforceable under section 34171(d)(2) because neither exception for city/agency contracts applies. Here, the West Olive Note is not issued to a third-party investor or bondholder as required by subsection (e). Instead, the West Olive Note is in favor of the City and there is no indication that it is related to a third-party investor or bondholder. Thus, this exception cannot be deemed to apply.

The second exception related to RDA loans requires the loan to have been entered into within two years of the creation of the Agency. Section 34171(d)(2). While the West Olive Note memorializes a loan, it was not entered into until 1985, or fifteen years after the Agency was created. Accordingly, the second exception likewise does not apply to the West Olive Note. Accordingly, the West Olive Note is not an enforceable obligation pursuant to Health & Safety Code section 34171(d)(2).

**C. Cooperation and Reimbursement Agreement for South San Fernando Redevelopment Project**

On February 23, 1998, the City and Agency entered into the Cooperation and Reimbursement Agreement for South San Fernando Redevelopment Projects/Programs of the 1997-1998 Fiscal Year By and Between the City of Burbank and the Burbank Redevelopment Agency ("Cooperation Agreement"). The Cooperation Agreement is for the reimbursement of a loan of \$191,380.55 provided by the City to the Agency. The City approved the Cooperation Agreement on February 10, 1998, by adopting Resolution No. 25,232. The loan appeared on the January through June 2012 ROPS as Item 17, however, it does not appear to be listed on the July through December 2012 ROPS approved by the DOF. This may be due to once-yearly payments.

On March 15, 2011, the Agency adopted Resolution No. R-2246 ("Resolution") to address the future of sums owed to the City by the Agency. Recognizing that the Agency may cease to exist due to legislative action, the Resolution amended the schedule of payments for loans made by the City to the Agency. The loan acknowledged in the Cooperation Agreement was among the loans amended by the Resolution. Specifically, the Resolution adopted a ten-year payment schedule of ten equal annual payments commencing on the date that the Legislature terminated the Agency. The Resolution makes no other changes to the Cooperation Agreement.



The Cooperation Agreement is between the City and the Agency, and as a result is unenforceable under section 34171(d)(2) because neither exception for city/agency contracts applies. The first exception does not apply because the Cooperation Agreement was not entered into to pay an indebtedness obligation recognized by statute. The Cooperation Agreement contemplates no debt issued to a third-party investor or bondholder as required by sub-section 34171(e). The Cooperation Agreement formalizes repayment of indebtedness to the City, which is not a third party. The first exception therefore does not apply.

The second exception also does not apply because the Cooperation Agreement was entered into decades after the formation of the Agency. The City formed the Agency in 1970, and entered into the Cooperation Agreement in 1998.

Further, the Resolution amending the Cooperation Agreement did not make the Cooperation Agreement enforceable. Despite altering the repayment schedule, the loan remains one from the City to the Agency. In addition, the Agency adopted the Resolution on March 15, 2011. To the extent that the Resolution may be considered a new contract, it was entered into after December 31, 2010, the cutoff date for enforceable obligations between RDAs and cities. See Health & Safety Code section 34171(d)(2).

The Cooperation Agreement is a formal adoption of a repayment schedule between the Agency and City to repay a loan made by the City to the Agency. The Resolution only changes the repayment schedule, not the unenforceable nature of the Cooperation Agreement. The Cooperation Agreement does not fall within the statutory exceptions for enforceable agreements between RDAs and cities and is therefore not an enforceable obligation.

#### **D. Sales Tax Cooperation Agreement**

In 1998, the Agency and City entered into a Sales Tax Cooperation Agreement ("Sales Agreement") whereby the City agreed to annually consider certain advancements of tax proceeds to assist the Agency in making payments to a third-party investor pursuant to a separate agreement.<sup>8</sup> As part of the Sales Agreement, the City would consider reimbursing the Agency for payments made

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<sup>8</sup> The Agency apparently entered into a Disposition and Development Agreement dated November 15, 1989, with Haagen Burbank Partnership, a California general partnership. We do not have a copy of the Haagen agreement and this memorandum does not consider the effect it may have on the ABx1 26 analysis. We also do not have the City or Agency resolutions approving the original Agreement. For purposes of this analysis we presume the Agreement was properly adopted.



to the third-party investor and the Agency, in turn, agreed to reimburse the City for any tax advance payments actually made. The parties memorialized the Agency's reimbursement obligations by way of a promissory note attached to the Sales Agreement. The Agency agreed to reimburse the City for the principal amount of all advances made pursuant to the Sales Agreement with interest at a rate of six percent per annum. The Sales Agreement appears on the January through June 2012 ROPS as Item 18 with a total outstanding obligation of \$12,656,114.04, however, it does not appear to be listed on the July through December 2012 ROPS approved by the DOF.

In March 2011, the Agency passed Resolution No. R-2246, which among other things, reaffirmed the debt owed by the Agency to the City vis-à-vis the Sales Agreement. *See* R-2246 ¶ B6. As of March 2011, the Agency calculated the debt owing on the Sales Agreement and promissory note to be \$11,536,000. *Id.* Pursuant to the terms of R-2246, the Agency agreed to pay the City all amounts owed beginning either when the redevelopment plan was no longer effective or when the redevelopment plan terminates by legislative action. R-2246, Exhibit A ¶ 1.

The Sales Agreement is between the City and the Agency, and as a result is unenforceable under section 34171(d)(2) because neither exception for city/agency contracts applies. The first exception related to indebtedness obligations does not apply because section 34171(d)(2) requires the agreement to be "entered into . . . at the time of issuance of the indebtedness obligations." Here, the Sales Agreement was entered into no less than five years after the final implementation agreement between the Agency and the third-party investor. *See* Sales Agreement at p. 1 ¶ B. Thus, this exception cannot be deemed to apply.

Further, the Sales Agreement does not contemplate an indebtedness obligation as defined by section 34171(e). Although the Sales Agreement includes a promissory note, the sole purpose of which is to repay a debt obligation, the note is not issued to a third-party investor or bondholder as required by subsection (e).<sup>9</sup> Instead, the note is in favor of the City. For this additional reason, the exception should not apply.

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<sup>9</sup> While it is true that the Agreement references a third-party investor, the payment obligation in question is from the Agency to the City and thus there is no third-party beneficiary concern. In other words, if the Agency payment in question was to be used to reimburse the third-party investor an argument can be made that the exception would apply under a third-party beneficiary theory. Here, however, the payment in question is a reimbursement to the City and will not ultimately be paid to any third-party.

The Sales Agreement does not satisfy the second exception set forth in section 34171(d)(2) because it was not entered into until 1998, twenty-eight years after the Agency was created.

The Sales Agreement is a sales tax cooperation and reimbursement arrangement between an RDA and the city that created it, and no applicable exception applies. Therefore, it is not an enforceable obligation.

**E. City Centre Redevelopment Project Promissory Note**

On December 31, 1985, the Agency executed a promissory note ("City Centre Note") in favor of the City for a total sum of \$54,403,000. The execution of the City Centre Note was authorized by Agency resolution R-1351, dated December 23, 1985. The terms of the promissory City Centre Note included repayment by the Agency of previous advances made totaling \$46,603,000, as well as \$7,800,000 in future advances with no interest bearing on the debt. The City Centre Note appears on the January through June 2012 ROPS as Item 19 with a total outstanding obligation of \$33,234,957, and as Item 16 on the July through December 2012 ROPS approved by the DOF, although the total outstanding amount is reported as \$26,864,626.43.

In March 2011, the Agency passed Resolution No. R-2246, which among other things, reaffirmed the debt owed by the Agency to the City vis-à-vis the City Centre Note. See R-2246 ¶ B2. As of March 2011, the Agency calculated the debt owing on the City Centre Note to be \$49,602,000. *Id.* Pursuant to terms of R-2246, the Agency agreed to pay the City all amounts owed beginning either when the redevelopment plan was no longer effective or when the redevelopment plan terminates by legislative action. R-2246, Exhibit A ¶ 1. Based on information received in the Draft ROPS, the total outstanding debt on the City Centre Note is \$33,234,957.

The City Centre Note is between the City and the Agency, and as a result is unenforceable under section 34171(d)(2) because neither exception for city/agency contracts applies. Here, the City Centre Note is not issued to a third-party investor or bondholder as required by subsection (e). Instead, the City Centre Note is in favor of the City and there is no indication that it is related to a third-party investor or bondholder. Thus, this exception cannot be deemed to apply to the City Centre Note.

The second exception requires the loan to have been entered into within two years of the creation of the Agency. Section 34171(d)(2). Here, while the City Centre Note memorializes a loan, it was not entered into until 1985, fifteen years after the Agency was created. Accordingly, the second exception does not apply.



The City Centre Note memorializes debt stemming from an arrangement between an RDA and the City that created it, and no applicable exception applies. Therefore, the City Centre Note is not an enforceable obligation pursuant to section 34171(d)(2).

**F. 1989 Haagen Promissory Note**

On November 15, 1989, the Agency executed a promissory note ("1989 Note") in favor of Haagen<sup>10</sup>, for a total sum of \$18,500,000. The 1989 Note was made pursuant to, and the borrower's obligation is subject to, a Disposition and Development Agreement ("DDA") dated November 15, 1989, between Haagen and the Agency for development of the City Centre Redevelopment Project. See 1998 Sales Tax Agreement, p. 1 ¶ B (referencing same). The terms of the 1989 Note included repayment by the Agency to Haagen the sum of \$18,000,000 for costs associated with Phase 2 of the project. See 1989 Note, p. 1 ¶ 1. Item 17 on the July through December 2012 ROPS approved by the DOF indicates a total outstanding obligation of \$9,289,336.

The 1989 Note appears to have been approved by the Agency in the lawful development of the City Centre Redevelopment Project. Haagen, as developer/lender, appears to have financed certain portions of Phase 2 of the Project and this 1989 Note seeks reimbursement for such costs. This is consistent with the lawful purpose of a redevelopment project and thus, this 1989 Note would be enforceable under either section 34171(d)(1)(B) or (E). See Health & Safety Code, section 3300 *et seq.*

**G. 1990 Haagen Promissory Note**

On December 6, 1990, the Agency executed a promissory note ("1990 Note") in favor of Haagen for a total sum of \$33,000,000. The 1990 Note is subject to the December 6, 1990, "First Implementation Agreement" amending the DDA<sup>11</sup> between Haagen and the Agency for the development of the City Centre Redevelopment Project. See 1998 Sales Tax Agreement, p. 1 ¶ B (referencing same); 1990 Note, p. 1 Preamble. The terms of the 1990 Note included repayment by the Agency to Haagen the sum of \$33,000,000, at ten percent interest, for costs associated with the purchase price of the "Bullock's

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<sup>10</sup> In 1993, Haagen-Burbank Partners assigned its rights and obligations under the agreement to Alexander Haagen Properties Operating Partnership, L.P., a California Limited Partnership.

<sup>11</sup> The DDA was amended at least three times by Implementation Agreements in 1990, 1993 and 1994.



Store.” See 1990 Note, p. 1 ¶ 1. Item 18 on the July through December ROPS approved by the DOF indicates the total outstanding obligation on the 1990 Note is \$2,107,076.

The 1990 Note appears to have been approved by the Agency in the lawful development of the City Centre Redevelopment Project. Haagen, as developer/lender, appears to have financed certain portions of Phase 2 of the Project and this 1990 Note seeks reimbursement for such costs. This is consistent with the lawful purpose of a redevelopment project and thus this 1990 Note would be enforceable under either section 34171(d)(1)(B) or (E). See Health & Safety Code, section 3300 *et seq.*

#### **H. 2011 Catalina Affordable Housing Agreement**

On May 12, 2011, the Agency entered into the Affordable Housing Agreement (“2011 AHA”) with the Burbank Housing Corporation (“Corporation”) for property located on Catalina Street. The 2011 AHA sets out the terms of a loan from the Agency to the Corporation for the purpose of land acquisition and construction of low-income housing by the Corporation. Specifically, the Agency agreed to loan the Corporation \$9,298,200 from the Low and Moderate Income Housing Fund (“Fund”) to be repaid over fifty-five years at three percent interest.

The 2011 AHA contains seven exhibits, including a Legal Description of the real property that is the subject of the 2011 AHA, a Master Loan Agreement Amendment No. 5, a Promissory Note, a Deed of Trust with Assignment of Rents, a Regulatory Agreement, a Scope of Work, and a Schedule of Performance. The Master Loan Agreement Amendment No. 5 amends the Master Loan Agreement entered into on March 21, 2006 by the Corporation, the City, and the Agency. It increases the balance of the overall debt owed by the Corporation to the Agency. It also adds a successor clause, stating that in the event that the Agency no longer exists as a public body, the City is designated as the successor. The Agency ratified the 2011 AHA with Resolution No. R-2251 on May 10, 2011.

The 2011 AHA is listed on the July through December 2012 ROPS approved by the DOF as Item No. 19, with a total of \$4,346,506.20 outstanding to the Corporation. The 2011 AHA does not detail the schedule of payments agreed to between the Agency and the Corporation (either to or from). The City has provided additional supporting documentation which indicates that the Corporation is adequately meeting its obligations under the terms of the 2011 AHA.

The nature of the 2011 AHA calls for an analysis of two different subdivisions of section 34171(d)(1): subdivision (E), dealing with legally binding contracts, and subdivision (G), dealing with payments owing to the Fund.

**Section 34171(d)(1)(E)**

The 2011 AHA appears enforceable under section 34171(d)(1)(E), which allows for the enforcement of "any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy." The loan contemplated by the 2011 AHA is made to a third-party for the purchase and development of real property. It generally specifies the terms of the loan and the duties to be performed by the borrower (the Corporation). Further, based on publicly available materials (including photos of the dilapidated units to be renovated) the object of the 2011 AHA is a genuine one that serves a public need for safe and sanitary low-income housing. In that regard, it should be noted that ABx1 26 expressly favors housing agreements and, in certain respects, treats them differently. See section 31471(d)(3) (voiding most contracts "to perform services or provide funding for governmental or private services or capital projects outside of redevelopment project areas that do not provide benefit to the redevelopment project," but expressly stating "such contracts or agreements for the provision of housing properly authorized under Part 1 (commencing with Section 33000) shall not be deemed void").

**The Exception under Section 34171(d)(1)(G) does not necessarily apply to future lending obligations**

For purposes here, it is important to distinguish between amounts lent from the Housing Fund (which must be repaid by the Corporation), and amounts the Corporation may yet borrow.

As to the former, the Agency apparently made the loan to the Corporation using monies from the Fund and, unless the 2011 AHA is unenforceable, any future loans would be based on Fund monies, too. Any repayments owing (either of amounts already lent or of additional disbursements) should be enforceable obligations under section 34171(d)(1)(G), upon approval of the repayment schedule by the oversight board.

As to the latter circumstance, because the future obligation to distribute money pursuant to a loan is not an amount previously "borrowed" from the Fund, and because the 2011 AHA did not involve a payment owing to the Fund, future loans under the 2011 AHA are likely not enforceable under section 34171(d)(1)(G) - even though monies would come from the Fund if the 2011 AHA were itself enforceable. Rather, it is more likely that this category of enforceable obligations refers to an agency's responsibility to repay the



Fund for amounts borrowed or revenue payments owing, but deferred, under section 33338.8.

Accordingly, the 2011 AHA appears to be an enforceable obligation, however, it is unclear whether the Housing Fund exception applies to monies not yet lent. This obligation was not challenged by the DOF.

**I. 2010 Catalina Affordable Housing Agreement**

On December 10, 2010, the Agency entered into the Affordable Housing Agreement ("2010 AHA") with the Housing Corporation ("Corporation") for property located on Catalina Street. The 2010 AHA sets out the terms of loans from the Agency and the City to the Corporation for the purpose of land acquisition and construction of low-income housing by the Corporation. Specifically, the Agency agreed to loan the Corporation \$923,800 from the Fund to be repaid over fifty-five years at three percent interest.

The 2010 AHA contains four exhibits, including a Legal Description of the real property that is the subject of the 2010 AHA, Promissory Notes with the Agency and the City, a Deed of Trust with Assignment of Rents, and a Regulatory Agreement. The Agency ratified the 2010 AHA with Resolution No. R-2240 on December 7, 2010.

The 2010 AHA appears as Item 23 on the January through June 2012 ROPS with an outstanding obligation of \$453,865.22. The 2010 AHA does not detail the schedule of payments agreed to between the Agency and the Corporation (either to or from). The City has provided additional supporting documentation which indicates that the Corporation is adequately meeting its obligations under the terms of the 2010 AHA.

Here, the nature of the 2010 AHA calls for an analysis of two different subdivisions of section 34171(d)(1): subdivision (E), dealing with legally binding contracts, and subdivision (G), dealing with payments owing to the Fund. The facts and analysis are substantially similar to the discussion set forth in section H above.

Accordingly, the 2010 AHA appears to be an enforceable obligation, however, it is unclear whether the Housing Fund exception applies to monies not yet lent. This obligation was not challenged by the DOF.

**J. Burbank Housing Corporation Developer Fees**

Between 2007 and 2011, the Agency entered into a series of Affordable Housing Agreements ("AHAs") with the Corporation for the purchase, rehabilitation, and management of low and moderate-income housing units. Each

AHA included in its costs a "Developer Fee" to be paid to the Corporation. By the terms of the AHAs, the Developer Fee was to be disbursed over a period of five to six years at the discretion of the Agency. The obligation to pay the Developer Fee is subject to completion of the conditions precedent for disbursement of the loans contemplated by the AHAs.

The ROPS lists a total of \$1,195,353.50 outstanding in Developer Fees to the Corporation as of June 31, 2012. In support of this amount, the City posted to its website the supporting documents for the following AHAs:

Subject of Affordable Housing Agreement	Date	Developer Fee
2219 and 2329 Niagara	1/25/2007	\$262,110.00
2406 Naomi	11/20/2008	\$190,000.00
275 Verdugo	1/9/2009	\$844,000.00
2615 Thornton	10/2/2009	\$201,900.00
225 Linden	8/20/2010	\$238,200.00
2234 Catalina	12/9/2010	\$254,300.00
New Catalina Development	5/12/2011	\$445,400.00
313 and 427 Valencia	2/21/2006	none

In total, the Agency agreed to pay \$2,435,910 in Developer Fees.

The Developer Fees appear to be enforceable under section 34171(d)(1), which allows for the enforcement of "any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy." The AHAs are between the Agency and the Corporation, a third-party, in consideration for the services provided by the Corporation in purchasing, rehabilitating, and maintaining the low and moderate income housing. The City has provided additional supporting documentation which indicates that the Corporation continues to satisfy the conditions required for receipt of each Developer Fee, and establishes the current status of payments. However, there appears to be a discrepancy in the total amount owed to the Corporation as reported on the ROPS.

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DEPARTMENT OF  
**FINANCE**

EDMUND G. BROWN JR. • GOVERNOR

915 L STREET ■ SACRAMENTO CA ■ 95814-3706 ■ [WWW.DOF.CA.GOV](http://www.dof.ca.gov)

May 30, 2012

Ruth Davidson-Guerra, Assistant Community Development Director  
City of Burbank  
150 North Third Street  
Burbank, CA 91502

Dear Ms. Davidson-Guerra:

Subject: Recognized Obligation Payment Schedule Approval Letter

Pursuant to Health and Safety Code (HSC) section 34177 (I) (2) (C), the City of Burbank Successor Agency submitted Recognized Obligation Payment Schedules (ROPS) to the California Department of Finance (Finance) on May 16, 2012, for the period January to June 2012 and July to December 2012. Finance is assuming oversight board approval. Finance has completed its review of your ROPS which may have included obtaining clarification for various items. Based on our review, we are approving all of the items listed on your ROPS at this time.

This is our determination with respect to any items funded from the Redevelopment Property Tax Trust Fund for the June 1, 2012 property tax allocations. In addition, items not questioned during this review are subject to subsequent review if they are included on a future ROPS. If an item included on a future ROPS is not an enforceable obligation, Finance reserves the right to remove that item from the future ROPS, even if it was not removed from the preceding ROPS.

Please refer to Exhibit 12 at [http://www.dof.ca.gov/assembly\\_bills\\_26-27/view.php](http://www.dof.ca.gov/assembly_bills_26-27/view.php) for the amount of Redevelopment Property Tax Trust Fund (RPTTF) that was approved by Finance.

As you are aware the amount of available RPTTF is the same as the property tax increment that was available prior to ABx1 26. This amount is not and never was an unlimited funding source. Therefore as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available in the RPTTF.

Please direct inquiries to Robert Scott, Supervisor or Jenny DeAngelis, Lead Analyst at (916) 322-2985.

Sincerely,

MARK HILL  
Program Budget Manager

cc: Kristina Burns, Program Specialist III, Auditor-Controller, Los Angeles County

Burbank ROPS approval letter.docx

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OFFICE OF THE CITY ATTORNEY

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Attachment G

September 12, 2012

Ms. Wendy L. Watanabe  
Auditor-Controller  
County of Los Angeles Department of Auditor-Controller

Dear Ms. Watanabe:

The purpose of this letter is to respond to a memo dated September 11, 2012 to you from Judy W. Whitehurst, Assistant County Counsel, concerning legal analysis of Burbank ROPS (County Counsel memo). It is our understanding that Ms. Whitehurst's memo is a supplement to the agreed-upon procedures audit (Audit) conducted pursuant to Health & Safety Code Section 34182. It is further our understanding that this response will be included with the Audit that is forwarded to the state and others.

First, Burbank is very appreciative of the professionalism of your staff and their willingness to work cooperatively with us as the Audit was conducted and finalized. We also appreciate your willingness to include our response with submission of the Audit.

The County Counsel memo analyses 10 agreements of the former Redevelopment Agency of the City of Burbank (Agency) listed on Burbank's ROPS to see whether these agreements meet the definition of an enforceable obligation under ABx1 26. This letter also analyses these same agreements.

Agency Debt (specifically agreements no. 1-5 of the Findings)

County Counsel's memo concludes that the original agreement between City of Burbank (City) and Agency and all of Agency's debt to City listed in said memo are not enforceable obligations. Burbank wholeheartedly disagrees with this conclusion. County Counsel concludes that Health & Safety Code<sup>1</sup> Section 34171<sup>2</sup> (d)(2) does not apply to the loans between City and Agency. Section 34171 (d)(2) provides:

"For purposes of this part, "enforceable obligation" does not include any agreements, contracts, or arrangements between the city...that created the redevelopment agency and the former redevelopment agency...Notwithstanding this paragraph, loan agreements entered into between the redevelopment agency and the city...that created

<sup>1</sup> All statutory references are to Health & Safety Code unless otherwise stated.

<sup>2</sup> §34171 defines enforceable obligations.

it, within two years of the date of creation of the redevelopment agency, may be deemed to be enforceable obligations."

And Section 34178, concerning which prior agreements are invalid and not binding on a successor agency; has an exception as follows:

"(b) Notwithstanding subdivision (a), any of the following agreements are not invalid and may bind the successor agency:

(2) A written agreement between a redevelopment agency and the city... that created it that provided loans or other startup funds for the redevelopment agency that were entered into within two years of the formation of the redevelopment agency."

The basic disagreement concerns the interpretation of these statutory provisions. County Counsel's opinion is that any loans from City to Agency had to be made within two years of the formation of the Agency for the loan to be valid. City interprets these statutes to require that the loan agreement(s) be in place within two years of the Agency's formation, but that the actual disbursement or advancement of funds may be later in time, which is the case with Burbank.

The City and Agency entered into an agreement dated September 29, 1970 titled: "Agreement between the City of Burbank and the Redevelopment Agency of the City of Burbank Establishing Certain City-Agency Relations (1970 Agreement). 1970 Agreement was amended in 1972, 1985 and finally in 2003. The 1970 Agreement as amended from time to time governed the relationship between the two entities. It was the authority for the City to advance services, facilities, personnel and money to the Agency and this Agreement consistently was reported on Agency's annual statement of indebtedness.

Further, the 1970 Agreement clearly identifies that it will also be the "loan agreement". Section 502 provides: "The City will establish an Agency administrative fund with money appropriated and paid to the Agency as a loan to be repaid upon such terms and conditions as the City Council may provide" and Section 503 states, "The City will, if appropriate, establish a redevelopment revolving fund." The City did establish this redevelopment revolving fund, identified in some resolutions initially as Fund 46. Again, the concept was cooperation for the life of the Project Areas, and a revolving fund is a fund or account whose income remains available to finance its continuing operations without any fiscal year limitation. Revolving Funds were initially set up by Project Area (see for example, Resolution No.16,510 (attached hereto) adopted on August 7, 1973, which established the City Centre Revolving Fund but did not involve any new Agency agreement). The fund establishment was solely a City function, and pursuant to the 1970 Agreement.

The City lent Agency money pursuant to this agreement. For example, prior to 1985, the City would from time to time appropriate and transfer City funds to the Redevelopment Agency simply by adopting a resolution authorizing budget transfers (e.g. Resolution



No.17,363 adopted on November 4, 1975 authorized a City transfer of \$1,000,000 to the City Center *Redevelopment Revolving Fund*; Resolution No. 19,379 adopted on August 12, 1980 authorized an "advance of funds" *"from Fund 46, the Redevelopment Revolving Fund"* amounting to \$3,000,000; Resolution No. 19,211 adopted on April 22, 1980, authorized an advance of funds of \$250,000; Resolution No. 19,590 adopted on January 20, 1981 authorized an "advance of funds" of \$2,500,000; Resolution No. 19,717 adopted on April 28, 1981 authorized "funding an advance" of \$5,000,000). Copies of these Resolutions are attached.

On December 23, 1985 City and Agency amended 1970 Agreement by revising the definition of "Services to be Provided" under 1970 Agreement. This amendment expanded the definition to clearly include the advancement of funds to carry out specific redevelopment purposes that were fairly all encompassing, as well as other revisions. This Second Amendment clarified that the City had been and would continue to advance funds to the Agency pursuant to the original 1970 Agreement. The intent of the Second Amendment was explained in the accompanying staff report. Namely, to further articulate the indebtedness established by the 1970 Agreement. (A copy of Staff Report is attached). Also on December 23, 1985 Agency adopted a resolution acknowledging the prior advancement of funds from City for the West Olive Redevelopment Project and approved the execution of a promissory note thereof. (A copy of this Resolution is attached hereto.) After the 1985 amendment, the advances were papered sometimes with promissory notes, other times with Cooperation Agreements, but always with more than merely a resolution.

The 1970 Agreement was entered contemporaneously with the formation of the Agency and is clearly a loan agreement. 1970 Agreement, as well as its amendments provided the vehicle by which City lent Agency money for redevelopment purposes. In total Agency debt to City is \$27,075,001.43, as reported on ROPS 3.<sup>3</sup> These loans are enforceable obligations pursuant to Section 34171 (d)(2).

Furthermore, County Counsel concludes that the 1970 Agreement by its own terms expired once the Agency was dissolved based on the Third Amendment. The Third Amendment provided that the 1970 Agreement, as amended, was "intended to be effective so long as the Redevelopment Agency of the City of Burbank is active and a legal entity". Further, as mentioned in Recital I of Agency Resolution No. 2092, which approved the Third Amendment, the parties "desire to amend the Agreement, to reflect a term which is intended to be applicable as long as the Redevelopment Agency Board is active and a legal entity". Once the Agency was dissolved based on AB x1 26, the Successor Agency then stepped into the shoes of Agency and assumed Agency's obligations under 1970 Agreement. As reported by County Counsel, the 1970

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<sup>3</sup> Agency debt to City has been reduced since January 2011 by loan repayments, as well as the transfer of real property from Agency to City whereby City reduced debt owed to it by Agency by value of said properties. As noted in Burbank's ROPS, if these real property transfers and/or loan repayments are set aside, then the amount of Agency debt will increase.



Agreement was only listed on ROPS 1 and not ROPS 2 and not ROPS 3. That is because the administrative cost of Successor Agency are now covered by the Administrative budget under the ROPS. The 1970 Agreement, however, does still remain on the ROPS, but only in the description of the City/Agency debt.

#### 1998 Sales Tax Cooperation Agreement (specifically item no. 4 of the Findings)

Sale Tax Cooperation Agreement (Sales Tax Agreement) is an enforceable obligation under §34171 (d) (2), as explained above and below, as well as 34171 (e). Another part of §34171 (d) (2) provides that an enforceable obligation also includes "written agreements entered into (A) at the time of issuance, but in no event later than December 31, 2010, of indebtedness obligations, and (B) solely for the purpose of securing or repaying those indebtedness obligations may be deemed enforceable obligations for purposes of this part." §34171 (e) provides that "Indebtedness obligations means bonds, notes, certificates of participation, or other evidence of indebtedness, issued or delivered by the redevelopment agency to third-party investors or bondholders to finance or refinance redevelopment projects undertaken by the redevelopment agency...".

This Sales Tax Agreement benefited Haagen, the mall Developer, and has relied upon it as well as other investors, as evidenced by an June 2, 2006 estoppel certificate issued by the Agency to Haagen's lender, an investor in the mall. (attached) This reliance is no different than the reliance which occurred on the individual notes. The reference to the Sales Tax Agreement in the estoppel certificate identifies it as that document mentioned in 11.1 of the Second Implementation Agreement (a copy of that Implementation Agreement is provided<sup>4</sup>). Reliance on all of the Notes as well as the Sales Tax Agreement by third party investors has continuously occurred. Therefore, the Sales Tax Agreement is an enforceable obligation under §34171(e).

The City involvement in the success of the mall further illustrates the continued cooperative efforts between the City and the Agency in the financing of redevelopment, and as such the Cooperation Agreement is also an enforceable obligation since the agreement relates back and implements the 1970 Loan Agreement.

#### Effect of Agency Resolution No. R-2246

Disagreement in the characterization of the Agency Resolution No. R-2246 adopted on March 11, 2012 exists. The audit more than once considers this resolution to create new contractual obligations between the City and the Agency, and as such it was beyond the "cut off date for enforceable obligations". The resolution did not create new indebtedness; it merely articulated a reasonable payment schedule over a ten year term, which is consistent with Redevelopment Law limited receipt of tax increment for

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<sup>4</sup> All of the documents pertaining to the mall can be found at  
:<http://www.burbankca.org/housingandeconomicdevelopment/sa/board.html>

Hard copies have been provided as well.



ten years after a project area ended to repay debt. The resolution did not do anything inconsistent with the law in place on March, 2011, or with AB 26 1X.

#### Housing Agreements:

Within the legal analysis of both the 2011 Catalina Affordable Housing Agreement (AHA) (Section H), and the 2010 Catalina AHA (Section I), mention is made on the lack of clarity as to *"whether the Housing Fund exception applies to monies not yet lent"*; and Section 34171 is referenced. For clarification, neither the 2010 nor 2011 AHAs contemplate future loans. Both projects were "pre-existing", approved projects prior to June 29, 2011 and both AHAs included the full and total amount of loan funds. Any future disbursement related to the 2011 project (the 2010 project is complete) will be made from pre-existing loan funds approved before June 29, 2011.

TP As to Finding No. 8, the following explanation and documentation is being provided. Included in Analysis J, specifically Page 14, a table of approved Burbank Housing Corporation (BHC) Developer Fees is provided, and are accurate amounts. Also as mentioned, the ROPS lists a total of \$1,195,353.50 in outstanding BHC Development Fees as of June 31, 2012. It appears that the "discrepancy" noted on Page 14 is the result of a "connection" to the Developer Fee for 2219 and 2329 Niagara, which had been satisfied in full prior to ROPS-I. We therefore did not include it on the Developer Fee payment matrix, which was provided to County staff on September 5, 2012. Therefore, we have prepared a revised matrix, which includes the Niagara fee and the past payment information, which now ties to the original amount listed in the AHA. (attached). As a side note, the ROPS are estimates based on the AHAs and project costs known at the time of preparation of the ROPS. The amounts that appear on the revised Developer Fee payment matrix include actual amounts paid, plus projected estimates, which are solidified for all completed projects. The only uncontrollable variable would be 2223-2235 Catalina, which could come in under budget and therefore provide a reduced Developer Fee. However, project completion is still several months away and in the meantime the City will use anticipated payment amounts equal to 20 percent of the total approved Developer Fee for that project.

TP In addition to providing copies of the AHAs, we are providing supportive documentation for 225 Linden and 2234 Catalina. Inasmuch as the AHAs and associated approval Resolutions provide Developer Fee amounts based on total project costs, the actual Developer Fees for these two specific properties were reduced, due to lower, final project costs. While these two reduced figures were footnoted on the September 5<sup>th</sup> matrix, we did not provide the final correspondence from BHC to the Burbank Housing Authority (the Successor Housing Agency), which explained the project close-out costs. We, therefore, are providing these letters as verification of the reduced project costs thus supporting the final, reduced amount of Developer Fees for 225 Linden and 2234 Catalina.

Conclusion:

We again respectfully request you to recognize the Agency debt as a valid enforceable obligation because all of the Agency debt with the City related back to the 1970 loan Agreement, which was in place within two years of the Agency's formation. The fact that actual disbursements or advancement of funds occurred from time to time after that agreement was signed should not preclude those disbursements from being repaid as enforceable obligations. Furthermore, the Sales Tax Agreement is an enforceable obligation since it was for the benefit of the Mall developer, an independent third party investor. Lastly, as explained above the amount owed to the Burbank Housing Authority as listed in the Payment Matrix is correct.

Respectfully,



Amy Albano  
City Attorney

cc: Judy W. Whitehurst  
Shahiedah S. Coates  
Susan Linschoten



# DOCUMENTS FOR RESPONSE TO THE AUDIT SEPT. 2012

	<b>DOCUMENT NAME</b>	<b>RESOLUTION OR RECORDING NUMBER</b>	<b>DOCUMENT DATE</b>
1.	A Resolution of the Council of the City of Burbank authorizing an Advance of Funds to the Redevelopment Agency	Reso. No. 19,211	04-22-80
2.	A Resolution of the Council of the City of Burbank Authorizing an Advance of funds to the Burbank Redevelopment Agency for the Purpose of Land Acquisition and Related Costs Associated with the Disposition and Development Agreement with Wilshire Diversified, Inc.	Reso. No. 19,379	08-12-80
3.	A Resolution of the Council of the City of Burbank authorizing an Advance of Funds to the Burbank Redevelopment Agency for the Purpose of Land Acquisition and Related Costs Associated with the Disposition and Development Agreement with Ernest W. Hahn, Inc.	Reso. No. 19,590	01-20-81
4.	A Resolution of the Council of the City of Burbank Amending the 1980-81 Annual Budget for the Purpose of Funding a City Advance to the Redevelopment Agency	Reso. No. 19,717	04-28-81
5.	Memo to Robert R. Ovrom, Executive Director/City Manager Re: Second Amendment to an Agreement Between the City of Burbank and the Redevelopment Agency Establishing Certain City-Agency Relationships		12-17-85
6.	A Resolution of the Redevelopment Agency of the City of Burbank Authorizing the Execution of a Promissory Note Evidencing Certain Advances of Funds from the City of Burbank to the Redevelopment Agency of the City of Burbank for the City Centre Redevelopment Project	Reso. No. R-1351	12-23-85
7.	A Resolution of the Redevelopment Agency of the City of Burbank authorizing the Execution of a Promissory Note Evidencing Certain Advances of Funds from the City of Burbank to the Redevelopment Agency of the City of Burbank for the West Olive Redevelopment Project	Reso. No. R-1352	12-23-85
8.	Disposition and Development Agreement by and Between the Redevelopment Agency of the City of Burbank and Haagen-Burbank Partnership	89-1842285	11-15-89
9.	Promissory Note to Haagen-Burbank Partners - Phase 2 Loan		11-15-90

	<b>DOCUMENT NAME</b>	<b>RESOLUTION OR RECORDING NUMBER</b>	<b>DOCUMENT DATE</b>
10.	Promissory Note to Haagen-Burbank Partnership - Purchase Money Note		12-6-90
11.	First Implementation Agreement		12-6-90
12.	Second Implementation Agreement	93-1913117	09-30-93
13.	Third Implementation Agreement	95-1932702	10-20-94
14.	Sales Tax Cooperation Agreement		02-23-98
15.	Disposition and Development Agreement - 313 W. Valencia Ave.		02-21-06
16.	Disposition and Development Agreement - 427 W. Valencia Ave.		02-21-06
17.	Estoppel Certificate		06-2-06
18.	Affordable Housing Agreement - 2219 and 2329 N. Niagara St		01-25-07
19.	Affordable Housing Agreement - 2406 N. Naomi St.		11-20-08
20.	Affordable Housing Agreement - 275 W. Verdugo Avenue		01-09-09
21.	Affordable Housing Agreement - 2615 Thornton Avenue		10-02-09
22.	Affordable Housing Agreement - 225 W. Linden Avenue		08-20-10
23.	Affordable Housing Agreement - 2234 N. Catalina St.		12-09-10
24.	Affordable Housing Agreement - 2223, 2227, 2233 and 2235 N. Catalina St. ("New Catalina")		05-12-11
25.	Letter from Burbank Housing Corp. re: Project Completion Report for 225 W. Linden Avenue		03-20-12
26.	Letter from Burbank Housing Corp re: Project Completion for 2234 N. Catalina Street		08-27-12